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FERC Docket: CP06- 71-002

First Revised Sheet No. 1 Scg Pipeline Inc.: Original Volume No. 1

First Revised Sheet No. 1 : Effective

Superseding: Original Sheet No. 1

CANCELLATION OF ENTIRE TARIFF

Notice is hereby given that effective November 1, 2006 the FERC Gas Tariff of

SCG Pipeline, Inc. is to be cancelled.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.2 Original Sheet No.2 : Superseded

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Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.3 Original Sheet No.3 : Superseded

PRELIMINARY STATEMENT

This Federal Energy Regulatory Commission ("FERC") Gas Tariff is filed by SCG Pipeline, Inc. ("Pipeline"). This FERC Gas Tariff sets forth the terms and conditions of the transportation and other related services rendered by Pipeline. Pipeline is a natural gas company engaged in the business of transporting natural gas and related services under authorization granted by and subject to the jurisdiction of the Commission.

The transportation of natural gas and related services are undertaken by Pipeline only under contracts acceptable to Pipeline after consideration of its commitments to others, delivery capacity and other factors deemed pertinent by Pipeline. Pipeline reserves the right to require a separate written agreement specifying any conditions other than those set forth in the Tariff which must be satisfied before the contracts for the transportation of natural gas and related services becomes operative.

Effective Date: 06/01/2005 Status: Effective

FERC Docket: RP05-292-000

First Revised Sheet No.4 First Revised Sheet No.4 : Superseded

Superseding: Original Sheet No. 4

Map of pipeline

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.5 Original Sheet No.5 : Superseded

Reserved For Future Use

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.6 Original Sheet No.6 : Superseded

RATE SHEET AND RATE SCHEDULE INDEX

Sheet No.	
	Summary of Rates and Charges 7
	Fuel Retainage Percentages and System Balancing Cost Reconciliation Mechanism 8
	Firm Transportation Rate Schedule 9
	Interruptible Transportation Rate Schedule 16

Effective Date: 10/01/2005 Status: Effective

FERC Docket: RP05-592-000

First Revised Sheet No. 7 First Revised Sheet No. 7 : Superseded
Superseding: Original Sheet No. 7

Summary Of Rates And Charges
(All rates in \$/Dt)

Rate Schedules	FT	IT
	MAXIMUM RATE	
Monthly Reservation Rate	3.0170	0.0000
Usage Charge	0.0000	0.0992
	MINIMUM RATE	
Monthly Reservation Rate	0.0000	0.0000
Usage Charge	0.0000	0.0000

THE FOLLOWING ADJUSTMENTS APPLY TO ALL RATE SCHEDULES:

System Balancing Cost Reconciliation Mechanism Volumetric Surcharge pursuant to Sheet No. 8 and the GT&Cs Section 12.8

Fuel Retainage Percentage Pursuant to Sheet No. 8 and the GT&Cs Section 22

ACA Charge pursuant to Sheet No. 8 and the GT&C Section 24.

Effective Date: 10/01/2006 Status: Effective

FERC Docket: RP06-565-000

Fourth Revised Sheet No. 8 Fourth Revised Sheet No. 8 : Superseded
Superseding: Third Revised Sheet No. 8

FUEL RETAINAGE PERCENTAGES

Rate Schedules FT and IT: 0.1990% of receipts per Dt

SYSTEM BALANCING COST RECONCILIATION MECHANISM
VOLUMETRIC SURCHARGE

(Pursuant to GT&Cs Section 12.8)

Rate Schedules FT and IT: \$0.0000 of receipts per Dt

ANNUAL CHARGE ADJUSTMENT UNIT RATE

(Pursuant to GT&Cs Section 24)

Rate Schedules FT and IT: \$0.0016 per Dt

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.9 Original Sheet No.9 : Superseded

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party, hereinafter called "Shipper", which has executed a Service Agreement pursuant to this Tariff, providing for the firm transportation of gas and/or other services by Pipeline.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This rate schedule shall apply to firm transportation service rendered by Pipeline for Shipper pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for Rate Schedule FT. Service hereunder shall consist of the receipt, transportation and delivery of gas as set forth below.

2.2 Service hereunder is available on any Gas Day and will be firm, except as provided herein, in the effective Service Agreement and in Pipeline's GT&Cs.

2.3 Pipeline will receive for Shipper's account for transportation hereunder daily quantities of gas up to Shipper's Maximum Daily Transportation Quantity (MDTQ), plus an amount reflecting a Fuel Retainage Quantity as determined in GT&Cs Section 22, at the Receipt Point(s) on Pipeline's system available to Shipper pursuant to the effective Service Agreement and the GT&Cs. Such MDTQ shall be specified in the effective Service Agreement. Pipeline will transport and deliver for Shipper's account such quantities tendered to Pipeline, on a daily basis up to Shipper's MDTQ, at the Delivery Point(s) on Pipeline's system available to Shipper pursuant to the effective Service Agreement and the GT&Cs.

2.4 Pipeline shall not be obligated to construct, modify or add any facilities to expand the capacity of its pipeline system in any manner in order to provide transportation services to Shipper pursuant to this Rate Schedule; provided, however, Pipeline may, at its option, add facilities or expand capacity to provide such service, pursuant to the GT&Cs Sections 3 and 4, and provided further, Pipeline is obligated to maintain its facilities in a manner that will allow it to provide firm certificated service in accordance with the contracted obligations.

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FERC Docket: RP03-611-000

Original Sheet No.10 Original Sheet No.10 : Superseded

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE
(continued)

2.5 Transportation of the gas received by Pipeline at the Primary Receipt Points specified in Exhibit A of the Service Agreement for Rate Schedule FT for Shipper's account under this Rate Schedule and the delivery of such gas to the Delivery Points specified in Exhibit B of the Service Agreement shall be on a firm basis and shall not be subject to limitation or interruption, except as provided in Sections 9, 10 and 21 of the GT&Cs. Firm transportation services under this Rate Schedule shall have priority over all of Pipeline's interruptible services.

2.6 The transportation of gas under this Rate Schedule at Secondary Receipt Points and Secondary Delivery Points shall be subject, in Pipeline's reasonable judgment, to the availability of capacity in Pipeline's facilities and to the operating conditions and system requirements of Pipeline. Transportation of gas under this Rate Schedule at Secondary Receipt Points and Secondary Delivery Points shall be on a secondary basis and shall have a priority over the transportation of gas for Pipeline's interruptible services and a priority subordinate to the delivery of gas at the Primary Receipt Points and Primary Delivery Points specified in the Service Agreements under this Rate Schedule.

3. RATES AND CHARGES

3.1 The applicable unit rates for service hereunder are set forth in the currently effective Sheet No. 7 of this Tariff and are incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to GT&Cs Sections 22 through 28.

3.2 The rates stated on the currently effective Sheet No. 7 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. Shipper shall pay the maximum rates for service under this Rate Schedule unless Pipeline, in its reasonable judgment, offers to discount its rates to Shipper under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 27 of the GT&Cs. Any discount or

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FERC Docket: RP03-611-000

Original Sheet No.11 Original Sheet No.11 : Superseded

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE
(continued)

Negotiated Rate agreed to by Pipeline and the effective period thereof shall be stated on an executed Exhibit C to the Service Agreement, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 28 of the GT&Cs. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified on the currently effective Sheet No. 7.

3.3 Effective as of the Date of Commencement of Service, as provided for in the effective Service Agreement, Pipeline shall charge and Shipper shall pay Pipeline for transportation service, under this Rate Schedule each applicable Month during the year, the sum of the following amounts:

3.3.1 Monthly Reservation Rate: The applicable Reservation rate, as determined pursuant to Section 3.1 herein, multiplied by the MDTQ; and

3.3.2 Monthly Usage Charge: The applicable Usage Charge shall be the rate as set forth on Sheet No. 7 multiplied by the daily flow allocated in accordance with this Rate Schedule.

3.3.3 Fuel Charge: A percentage of the quantity of gas delivered by Shipper for transportation and accepted by Pipeline at the Receipt Point(s) as gas, which shall be deemed to have been used as Fuel Retainage Quantity. The percentage of the quantity of gas retained by Pipeline for such purposes shall be set forth on the currently effective Sheet No. 8; changes to such percentages shall be made effective only at the beginning of a Month.

3.3.4 Penalties and Surcharges: In addition to the charges specified above, Shipper shall pay to Pipeline any penalties and surcharges applicable to service hereunder as may be set forth from time to time in the GT&Cs Sections 7, 9, 10, 12 and 22-28 and approved by the Commission.

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Original Sheet No.12 Original Sheet No.12 : Superseded

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE
(continued)

3.3.5 Facilities: All costs, including reasonable overheads and taxes, actually incurred by Pipeline in the construction and installation, modification, acquisition of facilities, and/or acquisition of an ownership interest in capacity for the receipt, measurement, or transportation of gas for Shipper's account which Shipper requests and Pipeline, in its reasonable discretion, agrees to construct, install, modify, and/or acquire including acquisition of any interests in real estate and permits associated with the facilities. Title and ownership of such facilities, however, shall remain in Pipeline. Shipper shall pay Pipeline for such costs within ten (10) days of receipt of Pipeline's invoice detailing the amount of such costs or as otherwise agreed to in accordance with the GT&Cs Section 3.1.

4. RECEIPT AND DELIVERY POINTS

4.1 The Primary Receipt Point(s) at which Pipeline shall receive gas for transportation hereunder shall be specified in an Exhibit A to the Service Agreement between Pipeline and Shipper, which may be superseded by a new Exhibit A in order to add or delete specific points or make other changes thereto the parties deem appropriate. Pipeline shall not accept any proposed Primary Receipt Point(s) if to do so would, in Pipeline's sole judgment, impair Pipeline's ability to satisfy existing firm obligations, to maintain system integrity or to receive Fuel Retainage Quantity at maximum deliverability levels or if the resulting aggregate firm Maximum Daily Receipt Quantity (MDRQs) would exceed Shipper's MDTQ or the capacity requested by Shipper is not available at the Primary Receipt Point.

Notwithstanding the foregoing, all Receipt Points shall be available for use by Shipper as Secondary Receipt Points subject to reduction by the Pipeline based on the Tariff scheduling, OFO, curtailment allocation and force majeure and related provisions in the GT&Cs Sections 6, 9, 10 and 21 respectively.

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Original Sheet No.13 Original Sheet No.13 : Superseded

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE
(continued)

4.2 The Primary Delivery Point(s) at which Pipeline shall deliver gas for Shipper's account under this Rate Schedule shall be specified in Exhibit B to the Service Agreement between Pipeline and Shipper which may be superseded by a new Exhibit B in order to add or delete specific points or make other changes thereto the parties deem appropriate.

Pipeline shall not accept any proposed Primary Delivery Point(s) or quantity at any Primary Delivery Point(s), or change in quantities among Primary Delivery Point(s) if the resulting aggregate Maximum Daily Delivery Quantity (MDDQs) at all of Shipper's Primary Delivery Point(s) would exceed Shipper's MDTQ or the capacity requested by Shipper is not available at the Primary Delivery Point.

Notwithstanding the foregoing, all Delivery Points, shall be available for use by Shipper as Secondary Delivery Points subject to reduction by Pipeline based on the Tariff scheduling, OFO, curtailment allocation and force majeure and related provisions in the GT&Cs Sections 6, 9, 10 and 21 respectively.

4.3 If Shipper desires transportation of natural gas on any Gas Day under this Rate Schedule, Shipper must nominate service in accordance with Section 5 and, Pipeline must schedule services in accordance with Section 6 of the GT&Cs.

4.4 It is recognized that because of dispatching and other variations, certain minor imbalances may occur between the daily quantities of gas received by Pipeline for transportation under this Rate Schedule and the daily quantities of gas delivered by Pipeline. Shipper shall use every reasonable effort to ensure that receipts and deliveries remain in balance on both a daily and monthly basis.

4.5 Shipper shall also have the right to segment its capacity by nominating service using separate segments or through the release of capacity within its Capacity Path in accordance with GT&Cs Section 11. Shipper shall also have right to segment its capacity outside its Capacity Path in accordance with GT&Cs Section 5.6. Service at primary and secondary points, subject to backhaul transportation and segmentation shall be made available to Shipper subject to the nomination and scheduling provisions of GT&Cs Sections 5 and 6.

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Original Sheet No.14 Original Sheet No.14 : Superseded

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE
(continued)

5. IMBALANCES

Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to GT&Cs Section 12.

6. SYSTEM INTEGRITY

Pipeline reserves the right to take action as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other shippers. Pipeline shall endeavor to identify those Shippers making a significant contribution to the event or condition and to contact such Shippers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

7. FACILITIES

In order for Pipeline to receive, measure, transport, and/or deliver the gas to be transported under this Rate Schedule, it may become necessary for Pipeline to install facilities or to modify existing facilities. Should Shipper request the installation or modification of said facilities and agree to reimburse Pipeline for the cost thereof including taxes, and should Pipeline agree to install said facilities or to modify its existing facilities pursuant to Shipper's request, it is agreed that Pipeline will construct and install, or cause to be constructed and installed, said facilities, or will modify, or cause to be modified, its existing facilities, and will own and operate such facilities and all related appurtenant facilities.

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Original Sheet No.15 Original Sheet No.15 : Superseded

RATE SCHEDULE FT
FIRM TRANSPORTATION SERVICE
(continued)

In the event Shipper does not agree to pay the costs of installing or modifying said facilities, Pipeline may agree to construct or modify such facilities so long as such facilities are constructed or modified on a nondiscriminatory basis for similarly situated Shippers. Whether said facilities will provide a benefit to all Shippers using Pipeline's system such that it is appropriate to include the cost of said facilities in Pipeline's general system rates will be determined in the rate proceeding in which Pipeline proposes to include such costs in its general system rates. It is understood and agreed that title to and ownership of said facilities shall remain in Pipeline, and Pipeline shall operate such facilities as part of its system.

8. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program for which Pipeline has filed or in which Pipeline has agreed to participate.

9. GENERAL TERMS AND CONDITIONS

All of the GT&Cs, including from and after their effective date any further modifications and additions to the GT&Cs, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&Cs and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the provisions of the Pipeline's GT&Cs shall govern; provided however, in the event of a conflict between the rate set forth in this Rate Schedule and the Service Agreement, the Service Agreement shall govern.

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Original Sheet No.16 Original Sheet No.16 : Superseded

RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE

1. AVAILABILITY

This Rate Schedule is available to any party, hereinafter called "Shipper", which has executed a Service Agreement pursuant to this Tariff, providing for the interruptible transportation of gas by Pipeline.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 This rate schedule shall apply to all interruptible transportation service rendered by Pipeline for Shipper pursuant to Part 284 of the Federal Energy Regulatory Commission's ("Commission") Regulations and pursuant to the Service Agreement for transportation service under this Rate Schedule.

2.2 Service hereunder may be available on any Gas Day and will be interruptible as provided in the effective Service Agreement and in Pipeline's GT&Cs. Interruptible transportation services under this Rate Schedule shall have a priority subordinate to Pipeline's firm transportation services.

2.3 Pipeline may receive for Shipper's account for transportation hereunder, daily quantities of gas, plus an amount reflecting the Fuel Retainage Quantity as determined in GT&Cs Section 22.

2.4 Pipeline shall not be obligated to construct, modify or add any facilities or expand the capacity of its pipeline system in any manner in order to provide transportation service to Shipper pursuant to this Rate Schedule. Pipeline is free to contract at any time with other parties for new transportation services (whether firm or interruptible) without liability to Shipper for any resulting interruption or reduction of transportation service hereunder.

3. RATES AND CHARGES

3.1 The applicable unit rates for service hereunder are set forth in the currently effective Sheet No. 7 of this Tariff, unless otherwise agreed to by the Shipper and Pipeline and are incorporated herein. The rates in this Rate Schedule are subject to adjustment pursuant to the GT&Cs Sections 22 through 28.

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FERC Docket: RP03-611-000

Original Sheet No.17 Original Sheet No.17 : Superseded

RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE
(continued)

3.2 The rates which are stated on the currently effective Sheet No. 7 set forth the maximum rates applicable to each service provided under this Rate Schedule, and the range represented by the maximum and minimum rates stated for each such service. Shipper shall pay the maximum rates for service under this Rate Schedule unless Pipeline, in its reasonable judgment, offers to discount its rates to Shipper under this Rate Schedule, or unless the parties have agreed to a Negotiated Rate under Section 27 of the GT&Cs. Any discount or Negotiated Rate agreed to by Pipeline and the effective period thereof shall be stated on an executed Exhibit A to the Service Agreement, respectively, and shall be made on a not unduly discriminatory basis. In the case of a discount, it shall be granted consistent with the applicable provisions of Section 28 of the GT&Cs. The rates for service under this Rate Schedule shall not be discounted below the applicable minimum rates specified on the currently effective Sheet No.7.

3.3 Effective as of the Date of Commencement of Service as provided for in the Service Agreement, Pipeline shall charge and Shipper shall pay Pipeline for transportation service, under this Rate Schedule each applicable Month during the year the sum of the following amounts:

3.3.1 Monthly Usage Charge shall be the rate as set forth on Sheet No. 7 multiplied by the daily flow allocated in accordance with this Rate Schedule.

3.3.2 Fuel Charge: A percentage of the quantity of gas delivered by Shipper for transportation and accepted by Pipeline at the Receipt Point(s) as gas which shall be deemed to have been used as Fuel Retainage Quantity. The percentage of the quantity of gas retained by Pipeline for such purposes shall be set forth on the currently effective Sheet No. 8, and changes to such percentage shall be made effective only at the beginning of a Month.

3.3.3 Penalties and Surcharges: In addition to the charges specified above, Shipper shall pay to Pipeline any penalties and surcharges applicable to service hereunder as may be set forth from time to time in the GT&Cs Sections 7, 9, 10, 12 and 22-28 and approved by the Commission.

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Original Sheet No.18 Original Sheet No.18 : Superseded

RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE
(continued)

4. RECEIPT AND DELIVERY POINTS

All Receipt Point(s) at which Pipeline receives and delivers gas, shall be available as Receipt Point(s) under this Rate Schedule. All Delivery points at which Pipeline transports gas shall be available as Delivery Points under this Rate Schedule. Notwithstanding the foregoing, all Delivery Points shall be available for use by Shipper subject to reduction by Pipeline based on the Tariff scheduling, OFOs, curtailment allocation and force majeure and related provisions in the GT&Cs Sections 6, 9, 10 and 21 respectively. If Shipper desires transportation of natural gas on any Gas Day under this Rate Schedule, Shipper must nominate service in accordance with GT&Cs Sections 5 and 6.

5. IMBALANCES

Resolution of imbalances between receipts and deliveries associated with transportation under this Rate Schedule and Service Agreements under this Rate Schedule are governed by and resolved pursuant to GT&Cs Section 12.

6. SYSTEM INTEGRITY

Pipeline reserves the right to take action as may be required to preserve the integrity of Pipeline's system, including maintenance of service to other shippers. Pipeline shall endeavor to identify those Shippers making a significant contribution to the event or condition and to contact such Shippers in an effort to reduce the system imbalance and avoid the necessity of imposing penalties. It is recognized, however, that such prior notification may not be possible under all circumstances.

7. GOVERNMENTAL AUTHORIZATIONS

Transportation service under this Rate Schedule and effective Service Agreements shall be implemented pursuant to any applicable self-implementing authorizations or program for which Pipeline has filed or in which Pipeline has agreed to participate.

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Original Sheet No.19 Original Sheet No.19 : Superseded

RATE SCHEDULE IT
INTERRUPTIBLE TRANSPORTATION SERVICE
(continued)

8. GENERAL TERMS AND CONDITIONS

All of the GT&Cs, including from and after their effective date any further modifications and additions to the GT&Cs, are applicable to this Rate Schedule and service hereunder and are made a part hereof to the extent that such terms and conditions are not contradicted by any provision herein. In the event of a conflict between the GT&Cs and the provisions of this Rate Schedule or a Service Agreement under this Rate Schedule, the provisions of the Pipeline's GT&Cs shall govern; provided however, in the event of a conflict between the rate set forth in this Rate Schedule and the Service Agreement, the Service Agreement shall govern.

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Original Sheet No.20 Original Sheet No.20 : Superseded

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RESERVED FOR FUTURE USE

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Original Sheet No.50 Original Sheet No.50 : Superseded

GENERAL TERMS & CONDITIONS

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1. DEFINITIONS

British Thermal Unit ("Btu") shall mean the amount of heat required to raise the temperature of one avoirdupois pound of pure water from 58.5 Fahrenheit to 59.5 Fahrenheit at a constant pressure of 14.73 dry psia.

Business Day shall mean Monday through Friday excluding federal banking holidays for transactions in the U.S. and similar holidays for transactions occurring in Canada and Mexico. Pipeline's Business Days shall be shown on a calendar posted on the Pipeline's Internet Web Site.

Capacity Path shall mean a transportation path from a Primary Receipt Point to a Primary Delivery Point as established by the executed Service Agreement or otherwise specified in the notice of capacity release pursuant to GT&Cs Section 11.

CCT shall mean Central Clock Time, which includes the recognition of Daylight Savings Time.

Commission shall mean the Federal Energy Regulatory Commission (FERC) or any successor regulatory authority having jurisdiction over Pipeline.

Cubic Foot (or Feet) shall mean the quantity of natural gas, which occupies one cubic foot of volume at the volumetric measurement base, which shall be one cubic foot of natural gas at a pressure base of 14.73 pounds per square inch absolute, a temperature base of 60°F, and without adjustment for water vapor content.

Daily Gas Index Price shall mean the simple average of (1) Natural Gas Intelligence Gas Price Index, "Average" "South Louisiana", "Southern Natural" and (2) Inside FERC's Gas Market Report Index, "Southern Natural Gas Company "Louisiana" as set forth in Southern Natural Gas Company's FERC Gas Tariff for Zone 3. If no index for a Gas Day is published, the price will be computed as the average of the applicable indices on the Index Publication Date preceding and the Index Publication Date following such Gas Day. The Index Publication Date is the date on which the publication is published. In the event that an index ceases to be published, the Parties shall agree on a replacement index.

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Date of Commencement of Service shall mean the date on which Pipeline is ready, willing and able to provide service and all contractual conditions to the commencement of service have been satisfied.

Dekatherm ("Dt") shall mean the quantity of heat energy which is equivalent to one million British Thermal Units. One "dekatherm" of gas shall mean the quantity of gas which contains one dekatherm of heat energy.

Delivery Point shall mean a point at which the gas leaves the Pipeline's system completing the transportation service transaction between the Pipeline and Shipper.

Fuel Retainage Quantity ("FRQ") shall mean the amount of gas used for fuel, including compressor and heater fuel; gas used for maintenance; gas lost as a result of force majeure events, the ownership of which cannot be reasonably identified; and unaccounted for gas. The Fuel Retainage Quantity shall be determined in accordance with GT&Cs Section 22.

Gas Day shall mean a period of twenty-four (24) consecutive hours, beginning at 9:00 a.m. CCT.

GT&Cs shall mean the General Terms and Conditions of Pipeline's FERC Gas Tariff, as effective from time to time.

Internet Web Site shall mean Pipeline's interactive electronic web site established and maintained by Pipeline in accordance with the NAESB standards, in order to conduct daily business transactions between the Pipeline and Shippers.

Long Term Service Agreement shall mean a Service Agreement with a primary term of twelve months or more from the effective date of the Service Agreement.

Maximum Daily Delivery Quantity ("MDDQ") shall mean, the maximum quantity of gas, which Pipeline is obligated to deliver for Shipper's account on any given Gas Day at each Delivery Point. The MDDQ shall be specified on Exhibit B to the Service Agreement between Pipeline and Shipper for each Delivery Point. The MDDQ shall be exclusive of: (1) any makeup quantities that Pipeline has agreed to receive and transport and (2) the Fuel Retainage Quantity.

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Maximum Daily Receipt Quantity ("MDRQ") shall mean for each Receipt Point, the maximum quantity of gas, which Pipeline is obligated to accept for transportation for Shipper's account on any given Gas Day at each Receipt Point. The MDRQ shall be specified on Exhibit A, if applicable, to the Service Agreement between Pipeline and Shipper at each Receipt Point. The MDRQ shall be exclusive of: (1) any makeup quantities that Pipeline has agreed to receive and transport and (2) the Fuel Retainage Quantity.

Maximum Daily Transportation Quantity ("MDTQ") shall mean the maximum daily quantity of gas exclusive of: (1) any makeup quantities that Pipeline has agreed to receive and transport and (2) the Fuel Retainage Quantity that (a) Shipper may tender for transportation in the aggregate to all Receipt Points, and (b) Pipeline is obligated to deliver in the aggregate to all Delivery Points.

Mcf shall mean one thousand (1,000) Cubic Feet of gas.

MMBtu shall mean one million Btu. One MMBtu equals one Dekatherm.

Month shall mean the period beginning at 9:00 a.m. CCT, on the first day of a calendar Month, and ending at the same hour on the first day of the next succeeding calendar Month.

Nomination Period shall mean a period of time that Shipper includes in a nomination for gas service.

Operational Flow Orders ("OFOs") shall mean an order or orders issued to alleviate conditions, inter alia, which threaten the safe operations or system integrity of Pipeline's system or to maintain operations required to provide efficient and reliable firm service. Whenever Pipeline experiences these conditions, any pertinent order shall be referred to as an OFO. A list of Pipeline's current types of OFOs are set forth in Section 9 of these GT&Cs.

Pipeline shall mean the SCG Pipeline, Inc. Such term expressly excludes any entity that is an affiliate of Pipeline.

Primary Delivery Point shall mean a Delivery Point specified in a Service Agreement under a firm transportation rate schedule, at which Shipper has a firm MDDQ.

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Primary Receipt Point shall mean a Receipt Point specified in a Service Agreement under a firm transportation service rate schedule, at which Shipper has a firm MDRQ.

Receipt Point shall mean the location at which gas enters Pipeline's system from a plant or upstream pipeline interconnect.

Request Date shall mean the date on which a Service Request is deemed valid under Section 2 of the GT&Cs.

Secondary Delivery Point shall mean Delivery Points other than Primary Delivery Points or any quantity in excess of Shipper's MDDQ delivered to a Primary Delivery Point.

Secondary Receipt Point shall mean Receipt Points other than Primary Receipt Points or any quantity in excess of Shipper's MDRQ delivered to a Primary Receipt Point.

Service Agreement shall mean the Service Agreement executed by the Shipper and Pipeline or otherwise made effective and any exhibits, attachments and/or amendments thereto for transportation and/or other services pursuant to Pipeline's tariff; including a Negotiated Rate Service Agreement.

Service Request shall mean a request for service which meets the requirements of Section 2 of the GT&Cs.

Shipper shall mean an entity that has executed a Service Agreement in the form contained in this Tariff, providing for the transportation of gas and/or other services by Pipeline.

Short Term Service Agreement shall mean a Service Agreement with a primary term of less than twelve months from the effective date of the Service Agreement.

Swing PDA shall mean the predetermined allocation methodology ("PDA") used to allocate gas flow among scheduled line item nominations at a point where one of the scheduled line items, or alternatively a separate contract, is designated as the "Swing." All other scheduled line items are allocated the scheduled quantity. The line item(s) identified as "swing" are allocated the remaining

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difference between the total quantity to be allocated and quantities allocated to non-swing line items, in accordance with the instructions provided with the PDA. The swing line item(s)/contract is not permitted to be allocated a quantity that would result in a negative number; therefore any negative quantity is allocated to the remaining scheduled line items on a pro rata basis.

Tariff shall mean Pipeline's FERC Gas Tariff, including but not limited to rate sheets, rate schedules, GT&Cs and forms of agreements, as may be revised and effective from time to time.

Title Transfer Tracking Service Provider shall mean a party conducting the title transfer tracking activity.

Total Heating Value shall mean the number of British Thermal Units produced by the complete combustion with air, of one dry cubic foot of natural gas at a constant pressure of 14.73 psia, and a temperature of 60 degrees Fahrenheit when the products of combustion are cooled to the initial temperature, and the water formed by combustion is condensed to the liquid state.

Transportation Service Provider shall mean Pipeline.

2. SERVICE REQUESTS, CONTRACTING FOR SERVICE AND CREDIT REQUIREMENTS

2.1 Shippers seeking service from Pipeline must submit a request for service in the form set forth herein and containing the information described herein. No bids will be accepted for any open season, or for capacity posted on the Pipeline's Internet Web Site, no Service Agreement will be tendered by Pipeline, and gas will not be scheduled for receipt and delivery until Shipper has a completed a Service Request form and Shipper's credit evaluation pursuant to Section 2.5 of these GT&Cs is found to be satisfactory to Pipeline. In the event Pipeline determines that Shipper's request for service does not comply with this Section 2 or that Shipper's credit evaluation does not comply with Section 2.5 of these GT&Cs, Pipeline shall notify Shipper of the deficiencies and the additional information or changes required to complete the Service Request. Shipper shall have the right for a period of ten days after such notice to supplement Shipper's Service Request as required to comply with this Section 2. If Shipper's Service Request, as supplemented within said ten days after such notice, is satisfactory, then Shipper's original Service Request date shall be utilized. If

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Shipper's Service Request, as supplemented within said ten days, remains incomplete and deficient, then Shipper's Service Request shall be deemed void.

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2.2 If Shipper's Service Request and credit evaluation comply with these GT&Cs, Pipeline will tender a Service Agreement to Shipper. In the event the Service Agreement is not executed by Shipper and returned within fifteen days after Pipeline tendered the Service Agreement, Pipeline shall consider the Service Request invalid and the Service Agreement shall be void and Pipeline shall refund any prepayment paid or return any security given by Shipper pursuant to Section 2 of these GT&Cs.

2.3 All firm transportation Service Requests shall be subject to the following conditions:

(a) No Service Request for transportation from a Primary Receipt Point or to a Primary Delivery Point shall be considered valid or be granted if to do so would impair Pipeline's ability to render existing services pursuant to Pipeline's firm service rate schedules.

(b) Subject to the provisions of (a) above, amendments to any firm Service Agreement or exhibit to add additional Primary Receipt Points or Primary Delivery Points pursuant to an applicable firm rate schedule will not be considered a new transaction for purposes of complying with this Section 2. Any Shipper receiving permission from Pipeline to use any new Primary Receipt Point(s) or new Primary Delivery Point(s) shall be deemed to have complied with the requirements of this Section 2 for purposes of receiving priority in contracting for such new Receipt Primary Point(s) or new Primary Delivery Points for a firm MDRQ or MDDQ over any third party subsequently requesting firm transportation under a firm rate schedule at that Primary Receipt Points or Primary Delivery Points if, at the time of Shipper's request, said third party's request has not been accepted by Pipeline. The priority for such new Primary Receipt Point(s) or Primary Delivery Point(s) shall be determined in accordance with this Section 2.

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(c) Pipeline shall have no obligation to construct new facilities to provide transportation service to a new Delivery Point or Receipt Point.

2.4 If requesting firm service, including service at discounted or negotiated rates, Shipper shall make a prepayment by wire transfer in an amount equal to the maximum reservation rate as stated on Pipeline's effective rate Sheet No. 7 for one Month's service at the levels specified in Shipper's Service Request. The prepayment shall be applied to the first Month's invoice or refunded in accordance with the applicable rate schedule. A successful bidder shall pay an applicable reservation payment for firm service awarded through an open season.

2.5 Creditworthiness. Pipeline shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Shipper's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon information and criteria set forth in this Section 2.5, which is to be provided as part of a Service Request. Additionally, Pipeline may request from Shipper from time to time during the term of the Service Agreement the following information, and Shipper shall provide the response in a time frame determined by Pipeline:

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(a) Shipper shall provide current financial statements, (balance sheet, income statement and statement of cash or cash flow), annual reports, 10-K reports or other filings with regulatory agencies which discuss Shipper's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. Pipeline shall determine the acceptability of the Shipper's overall financial condition. If audited financial statements are not available, then Shipper's Chief Financial Officer should provide attestation that the information shown in the unaudited statement is true, correct and a fair representation of the Shipper's financial condition.

(b) Shipper shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in (a) above must show that Shipper's obligations are being paid on a prompt basis.

(c) Shipper shall confirm in writing that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.

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(d) Shipper shall confirm in writing that Shipper is not aware of any current or anticipated change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency, the inability to exist as an ongoing business entity, or the inability to pay the rates and charges under its Service Agreement.

(e) Shippers with an ongoing business relationship with Pipeline shall have had no delinquent balances outstanding during the previous twelve months for services rendered by Pipeline, and during that period Shipper must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract. If Shipper has an established credit history with Pipeline that meets the requirements set forth in this Section 2.5, no further credit appraisal shall be necessary for Shipper to satisfy Pipeline's creditworthiness requirements; provided however, if Shipper fails to maintain the requirements set forth in this Section 2.5, Pipeline may perform a full credit appraisal pursuant to this Section 2.5.

(f) Shipper shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would materially affect Shipper's ability to remain solvent as a business entity.

(g) Shipper shall promptly notify Pipeline of any change in its financial condition, which may adversely affect its ability to pay Pipeline.

2.6 Upon notification by Pipeline that Shipper has failed to satisfy the credit criteria or subsequently during the term of the Service Agreement no longer satisfies the credit criteria, or if guarantor fails to continue to satisfy, such Shipper may still obtain credit approval by Pipeline if it elects to provide one of the following:

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- (a) an advance deposit;
- (b) a standby irrevocable letter of credit issued by a bank to Pipeline's satisfaction;
- (c) security interest in collateral found to be satisfactory to Pipeline; or
- (d) a guarantee, acceptable to Pipeline, by another person or entity which satisfies credit appraisal criteria set forth in Section 2.5.

If Shipper obtains credit approval by providing an advance deposit or other credit instrument and then subsequently satisfies the credit criteria, Pipeline shall return to Shipper any such advance deposit with interest. The advance deposit, standby irrevocable letter of credit, security interest or guarantee should at all times equal the amount equal to three Months of reservation charges at the maximum applicable unit rate hereunder. Shipper shall continue to provide such advance deposit or credit instrument for a period of three Months following the termination of service, unless Shipper pays all of the amounts of any invoices for service as reasonably determined by Pipeline prior to that time.

Termination or suspension of service and a Service Agreement does not affect the validity or requirement of a letter of credit or guarantee in effect at the time service is terminated or suspended.

If Shipper's or guarantor's credit standing ceases to meet Pipeline's credit requirements during the period of service, then Pipeline has the right to require security or a deposit as specified herein. If security or a deposit is not tendered in a timely period as reasonably determined by Pipeline, then Pipeline is not required to continue service. If Shipper is unable to maintain credit approval, the executed Service Agreement shall terminate as of the first day of the Month following written notice to Shipper. Pipeline retains the right to pursue additional remedies, enforce any rights and affect any collection due to Pipeline.

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3. POLICY WITH RESPECT TO FEES AND CONSTRUCTION OF INTERCONNECT FACILITIES

3.1 Shippers may request that Pipeline construct interconnect facilities to deliver gas to one or more Shippers. Pipeline will assess each request for interconnect facilities in a manner that is not unduly discriminatory. Pipeline is not required to build facilities upon Shipper request or otherwise if, as determined by Pipeline in its reasonable judgment, such facilities are not operationally feasible (construction and operation of the facilities would create a significant operational problem for Pipeline, would adversely impact Pipeline's existing services or would otherwise adversely impact Pipeline's system), or would result in a violation of environmental or safety laws or right-of-way agreements. In the event Pipeline decides to construct such facilities, Shipper shall reimburse Pipeline for all reasonable costs incurred to design, construct, own, operate and maintain the interconnect facilities. Such costs shall include: (a) the costs of such facilities installed by Pipeline to receive, measure, transport or deliver natural gas for Shipper's account, (b) any and all filings and approval fees and (c) all applicable taxes (including income taxes required in connection with such construction) that Pipeline is obligated to pay to any governmental authority having jurisdiction. Pipeline and Shipper shall negotiate a mutually agreeable cost recovery mechanism.

3.2 Pipeline may waive from time to time, at its discretion, all or a portion of the monetary reimbursement requirement set forth in Section 3.1 if it determines that construction of the facilities would be economic, based on Shipper contracts for firm transportation service through the proposed facilities and other matters, as described below. All requests for waiver shall be handled by Pipeline in a manner which is not unduly discriminatory. For purposes of determining whether a project is economic, Pipeline will evaluate projects on the basis of various economic criteria, which may include, without limitation, the estimated firm transportation demand subscribed

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under long-term contracts, cost of the facilities, operation and maintenance, applicable taxes, administrative and general expenses attributable to the facilities, the system net revenues Pipeline estimates will be generated subsequent to such construction, depreciation, return on investment and the availability of capital funds on terms and conditions acceptable to Pipeline. In estimating the system net revenues to be generated, Pipeline will evaluate the revenue generated from long-term firm transportation contracts and other system benefits.

3.3 Any monetary reimbursement due Pipeline by Shipper pursuant to this Section 3 shall be due and payable to Pipeline within ten (10) Days of receipt by Shipper of Pipeline's invoices for same; provided, however, subject to Pipeline's written consent such monetary reimbursement, plus carrying charges thereon, may be amortized over a mutually agreeable period not to exceed the primary contract term of the Service Agreement between Pipeline and Shipper.

3.4 Nothing in this statement of policy shall require Pipeline to file an application to build or modify facilities or to render service. Further, nothing in this policy statement shall prevent Pipeline from contesting an application for service or a request to compel the rendition of service filed at the Commission. Pipeline reserves the right to seek a waiver of the policies set forth in this Section 3 for good cause shown during any proceeding before any duly constituted regulatory authority.

3.5 Nothing in this Tariff shall require Pipeline to file an application for a certificate of public convenience and necessity with the Commission. Further, nothing in this Tariff prevents Pipeline from contesting an application for service filed with the Commission.

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4. ALLOCATION OF FIRM CAPACITY ENTITLEMENTS AND RIGHTS OF FIRST REFUSAL

4.1 Open Season for Generally Available Capacity

(a) Pipeline will allocate firm pipeline capacity in accordance with this Section 4. To the extent Pipeline has available unsubscribed capacity for which there are no pending requests, Pipeline reserves the right, but shall not be obligated, to reserve such capacity for open seasons to be held within the next six (6) months.

(b) Subject to 4.1(a), whenever capacity for a period greater than 92 days becomes available for subscription, Pipeline will post notices on its Internet Web Site stating that Pipeline will receive bids for the capacity in accordance with this Section 4. In addition, Pipeline may post notices on its Internet Web Site for the subscription of capacity available for a period of 92 days or less, which shall also be subject to the terms of this Section 4.

All postings for an open season will contain:

- (1) the type of service that is available,
- (2) the dates and duration that the service will be available,
- (3) the receipt and delivery points of the available capacity and available capacity at each such point,
- (4) any minimum terms and conditions,
- (5) any other information that Pipeline determines to be relevant,
- (6) the first and last day of the open season.

4.2 Extension of Long Term Service Agreement and Right of First Refusal. Before the expiration of the term of a Service Agreement and before Pipeline posts the availability of capacity pursuant to the Right of First Refusal provisions, if applicable, Pipeline and Shipper may mutually agree to an extension of the term of the Service Agreement (the exact length and rate of which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).

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Right of First Refusal: If Pipeline provides written notice to Shipper to terminate any firm Service Agreement with a primary term of twelve consecutive months or more at the maximum tariff rate, Shipper will have a right of first refusal to retain such firm capacity by complying with the bidding procedures in this Section 4 of the GT&Cs. If Shipper or a competing bidder does not retain or acquire such firm capacity during the right of first refusal bidding process, such firm capacity will be allocated under GT&Cs Section 4.1(b). A right of first refusal does not attach to: (i) a Shipper under a firm Service Agreement which provides written notice to Pipeline to terminate such firm Service Agreement; (ii) any Short Term Service Agreement; (iii) an interruptible Service Agreement; or (iv) Service Agreement with a negotiated rate pursuant to GT&Cs Section 27. Pipeline shall post on its Internet Web Site notice of expiration of Long Term Service Agreements 30 months prior to expiration of the Service Agreement. Provided however, if the term of the Service Agreement is less than 30 months, the Pipeline shall post notice of termination upon execution of the Service Agreement. Unless Shipper then within six months gives written notice to Pipeline to terminate the Service Agreement or to request a lesser extension term, the Service Agreement will automatically extend upon the expiration of the primary term for a term of five years. If a Shipper gives written notice to extend its Long Term Service Agreement, or any portion of its contract quantity thereunder, for less than the 5-year automatic extension period, then Pipeline, at its option and in a manner, which is not unduly discriminatory, may accept Shipper's requested extension period. Alternatively, Pipeline will make the capacity under such agreement available in accordance with the right of first refusal open season procedures of this Section 4.

(a) Pipeline shall post the capacity for bidding on its Internet Web Site no later than 180 days prior to the expiration of the current Service Agreement. Pipeline shall provide 30 days prior written notice to Shipper of the date the capacity will be posted. The capacity will remain posted on the Pipeline's Internet Web Site for a minimum of 20 days with such posting containing the information set forth in Section 4.1(b).

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(b) All bids submitted during the open season shall be submitted to Pipeline electronically through the Pipeline's Internet Web Site. Upon conclusion of the bidding period, Pipeline shall evaluate the bids in accordance with Section 4.3.

(c) If Pipeline is willing to accept a bid, Pipeline shall, no later than 15 days after the close of the bidding period, notify Shipper of the bid having the highest Net Present Value ("NPV"). Shipper shall have 5 days after receiving notice to notify Pipeline as to whether it will match the bid having the highest NPV and longest term (up to five years). If the Shipper elects to exercise its Right of First Refusal to match the bid with the highest NPV it must execute a new Service Agreement containing the terms of that bid, which new Service Agreement shall succeed the prior agreement following its expiration; provided however, that Shipper shall not be required to pay any rate higher than the maximum applicable rate.

(d) If Shipper does not exercise its Right of First Refusal, Pipeline may execute a Service Agreement with the entity submitting the bid with the highest NPV.

(e) If Pipeline receives no acceptable bids on the capacity, the Shipper may continue to receive service at the maximum rate for the term elected by the Shipper or such other rate and/or term as agreed to by Pipeline. A Shipper who continues service under such basis shall retain its Right of First Refusal only if the resulting agreement is a Long Term Service Agreement.

4.3 Net Present Value Standard. Pipeline shall award capacity for bids received during the open season to Shippers that meet Pipeline's creditworthiness standards and whose bids, based upon Pipeline's determination, have the highest NPV. The NPV is the discounted cash flow of incremental revenues per dekatherm to Pipeline produced, lost or affected by the requests for service and shall be based upon such factors as the term, quantity, date on which the requested service is requested to commence, and other factors determined to

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be relevant by Pipeline. The NPV shall also include only revenues generated by the reservation rate, or other form of revenue guarantee, as proposed by the bidder(s). For purposes of its NPV evaluation, Pipeline will consider the aggregate NPV of two or more bids for minimum bid packages, provided that the combined quantity of capacity under those packages do not exceed the maximum capacity available for subscription.

4.4 Rejected Bids. Pipeline reserves the right to reject any bid lower than the minimum acceptable bid for the capacity that is subject to the open season. Pipeline may set a reserve price which will be the minimum rate for the minimum acceptable bid; provided, however, if Pipeline elects to do so it will: (i) set such reserve price prior to the time of posting; and (ii) present such reserve price to a trustee to be held in escrow confidentially until the conclusion of the bidding process so as to demonstrate that such reserve price was established at the time of posting.

Irrespective of whether a bid has the highest NPV of the bids received, Pipeline may reject bids for service that: (i) may detrimentally impact the operational integrity of Pipeline's system; (ii) do not satisfy all the terms of the specified posting; (iii) contain terms and conditions other than those set forth in this Tariff; (iv) do not satisfy the Pipeline's creditworthiness criteria; (v) contain contingencies that cannot be removed within a time frame acceptable to Pipeline; or (vi) result in incremental costs.

4.5 Binding Nature of Bids. All bids received during the open season remain binding on all bidders through the end of the open season unless withdrawn by the bidder through the same medium on which its bid was submitted; provided, however, that a bidder may withdraw its previous bid and submit a bid with a higher NPV during the open season, but neither bidder (nor an affiliate of bidder) may submit a bid with a lower NPV. At the end of the open season, all bids either withdrawn by the bidder or not accepted by Pipeline shall become null and void.

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4.6 Bid Tiebreaker. If Pipeline determines that two or more bidders have both submitted bids with the highest NPV, the tied bidders shall submit another round of bids within a timeframe established by Pipeline. The successful bidder shall be the bidder with the highest NPV after one additional round of bids. Additional bids shall not be lower than the original bids. If bids are still tied after a second round of bids, then the capacity shall be shared pro rata.

4.7 Open Seasons for Proposed Expansions. Pipeline may hold open seasons in connection with construction of facilities, and may also conduct periodic open seasons for the purpose of evaluating market interest in expanding and/or extending Pipeline's transportation system. In conjunction with possible expansion of Pipeline's transportation system, Pipeline will also solicit offers for the permanent relinquishment of firm transportation capacity, which would reduce the need for additional facilities required for such expansion. Procedures and criteria for such solicitations of capacity will be developed prior to the event and posted on the Pipeline's Internet Web Site.

4.8 Subject to this Section 4, upon the termination of a firm or interruptible Service Agreement, Pipeline will have all necessary authority to abandon or terminate such service without any requirement to make application with the Commission for such authority.

5. NOMINATION PROCEDURE

5.1 Timely Nomination Cycle. Nominations for transportation under all rate schedules are to commence at 9:00 a.m. on the following Gas Day of any Nomination Period and shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline, prior to the first Gas Day of the Nomination Period. Such nomination shall specify the quantity to be scheduled for each Gas Day of the Nomination Period. The nomination timeline shall be CCT on the day prior to gas flow.

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(continued)

NAESB WGQ Version 1.7 standard 1.3.2 (i) verbatim:
11:30 am for nominations leaving control of the nominating party; 11:45 am for receipt of nominations by the transporter (including from Title Transfer Tracking Service Providers (TTTSPs)); noon to send Quick Response; 3:30 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 4:30 pm for receipt of scheduled quantities by shipper and point operator (central clock time on the day prior to flow).

Should Shipper fail to provide this nomination on or before the nomination date, Pipeline shall deem Shipper's nomination to be the scheduled quantity of the previous Gas Day. Pipeline shall have the right to refuse to receive or deliver any gas not timely and properly nominated. A standing nomination may be specified by Shipper to be effective for one or more days or months provided the nomination beginning and ending dates are within the term of Shipper's applicable Service Agreement. Pipeline shall not be liable to Shipper or any other person as a direct or indirect consequence of such refusal and Shipper shall indemnify Pipeline from and against any and all losses, damages, expenses, claims, suits, actions and proceedings whatsoever threatened, incurred or initiated as a result of such refusal unless such refusal was due to Pipeline's gross negligence, undue discrimination or willful misconduct.

5.2 Intraday Nominations

- (a) Evening Nomination Cycle. Subsequent to the Timely Nomination Cycle, as described in Section 5.1, Shipper may alter its nominations provided that the nomination given by Shipper to Pipeline for deliveries starting at 9:00 a.m. on the following Gas Day shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline. Any scheduling nomination submitted after the Timely Nomination Cycle described in Section 5.1 shall contain Shipper's anticipated service requirements for one Gas Day only and shall include the effective date and time. Evening Cycle nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day prior to gas flow.

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timeline below, or such lesser period as is acceptable to Pipeline. Any scheduling nomination submitted after the Timely Nomination Cycle described in Section 5.1 shall contain Shipper's anticipated service requirements for one Gas Day only and shall include the effective date and time. Evening Cycle nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day prior to gas flow.

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First Revised Sheet No. 69 First Revised Sheet No. 69 : Superseded
Superseding: Substitute Original Sheet No. 69

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NAESB WGQ Version 1.7 standard 1.3.2 (ii) verbatim: 6:00 pm for nominations leaving control of the nominating party; 6:15 pm for receipt of nominations by the transporter (including from TTTSPs); 6:30 pm to send Quick Response; 9:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 10:00 pm for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the day prior to flow).

Scheduled quantities resulting from an Evening Nomination that does not cause another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped should be effective at 9:00 a.m. on gas day; and when an Evening Nomination causes another Service Requester on the subject Transportation Service Provider to receive notice that it is being bumped, the scheduled quantities should be effective at 9:00 a.m. on gas day.

- (b) Intraday 1 Nomination Cycle. Subsequent to the Evening Nomination Cycle, as described in Section 5.2(a), Shipper may alter its nominations provided that the nomination given by Shipper to Pipeline for deliveries starting at 5:00 p.m. during the current Gas Day shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline. Any scheduling nomination submitted after the Timely Nomination Cycle described in Section 5.1 shall contain Shipper's anticipated service requirements for one Gas Day only and

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shall include the effective date and time. Intraday 1 nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. The nomination timeline shall be CCT on the day of gas flow.

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First Revised Sheet No. 70 First Revised Sheet No. 70 : Superseded

Superseding: Substitute Original Sheet No. 70

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NAESB WGQ Version 1.7 standard 1.3.2 (iii) verbatim: 10:00 am for nominations leaving control of the nominating party; 10:15 am for receipt of nominations by the transporter (including from TTTSPs); 10:30 am to send Quick Response; 1:00 pm for receipt of completed confirmations by transporter from upstream and downstream connected parties; 2:00 pm for Transportation Service Provider to provide scheduled quantities to affected shippers and point operators, and to provide scheduled quantities to bumped parties (notice to bumped parties), (central clock time on the gas day). Scheduled quantities resulting from Intraday 1 Nominations should be effective at 5:00 pm on gas day.

- (c) Intraday 2 Nomination Cycle. Subsequent to the Intraday 1 Nomination Cycle, as described in Section 5.2(b), Shipper may alter its nominations provided that the nomination given by Shipper to Pipeline for deliveries starting at 9:00 p.m. during the current Gas Day shall be submitted to Pipeline no later than the time specified in the nomination timeline below, or such lesser period as is acceptable to Pipeline. Any scheduling nomination submitted after the Timely Nomination Cycle shall contain Shipper's anticipated service requirements for one Gas Day only and shall include the effective date and time. Intraday 2 nominations shall span one Gas Day and will not rollover or replace the remainder of a standing nomination. No scheduled shippers shall be bumped during the Intraday 2 Nomination Cycle. The nomination timeline shall be CCT on the day of gas flow.

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Substitutefirst Revised Sheet No. 70A Substitutefirst Revised Sheet No. 70A : Superseded
Superseding: Original Sheet No. 70A

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NAESB WGQ Version 1.7 standard 1.3.2 (iv)
verbatim: 5:00 pm for nominations leaving
control of the nominating party; 5:15 pm for
receipt of nominations by the transporter
(including from TTTSPs); 5:30 pm to send Quick
Response; 8:00 pm for receipt of completed
confirmations by transporter from upstream and
downstream connected parties; 9:00 pm for
Transportation Service Provider to provide
scheduled quantities to affected shippers and
point operators (central clock time on the gas
day). Scheduled quantities resulting from
Intraday 2 Nominations should be effective at
9:00 pm on gas day. Bumping is not allowed
during the Intraday 2 Nomination Cycle.

NAESB WGQ Version 1.7 standard 1.3.2 (v)
verbatim: For purposes of 1.3.2 ii, iii, and iv,
"provide" shall mean, for transmittals pursuant
to standards 1.4.x, receipt at the designated
site, and for purposes of other forms of
transmittal, it shall mean send or post.

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- (d) Once all or a portion of the nomination of a Shipper that is paying for firm deliveries is accepted and scheduled for any Gas Day, said daily scheduled service shall not be interrupted unless curtailment is necessary pursuant to the provisions of GT&Cs Section 10.
- (e) If Pipeline bumps an interruptible Shipper's flowing nomination at a Receipt Point and/or Delivery Point, as a direct result of Pipeline's acceptance of an intraday nomination increase by a firm Shipper, then Pipeline will not also bump said Shipper's corresponding flowing delivery or receipt nominations for the remainder of that Gas Day even though an imbalance may be created; provided however, that any imbalance penalty shall be waived for the interruptible Shipper whose scheduled volumes are bumped by a firm intraday nomination, but shall be waived only for the Gas Day that such bumping occurs.
- (f) If Shipper submits a reduced intraday nomination below the level of gas that has already been received in Pipeline's system on a Gas Day, then Shipper has created an unauthorized daily overrun and imbalance subject to the allowable daily dispatching variations, and shall pay the applicable charges and penalties.
- (g) Pipeline's Internet Web Site shall provide the available capacity for each nomination cycle.

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5.3 Nomination Information. With respect to Shipper's desired levels of service under firm and interruptible transportation Rate Schedules, a nomination made through electronic data interchange shall include all mandatory Commission-approved data elements; Shipper shall furnish Pipeline the following:

- (a) Shipper's Contract number and Package ID numbers. Package ID differentiates between discrete business transactions under a contract;
- (b) the desired Receipt Point(s) and Delivery Point(s), the corresponding daily quantities, and the schedule ranks;
- (c) the upstream contract and party who will deliver gas to Shipper, if applicable;
- (d) the begin and end dates upon which such transportation service is desired, provided the nomination begin and end dates are within the term of Shipper's contract; and
- (e) the sum of the quantities nominated at Receipt Points less applicable Fuel Retainage Quantities shall equal the sum of the Quantities of gas nominated at Delivery Points during the nomination period.

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All nominations should be considered original nominations and should be replaced to be changed. Intra-day nominations can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points of scheduled gas. When a nomination for a date range is received, each day within that range is considered an original nomination. When a subsequent nomination is received for one or more days within that range, the previous nomination is superseded by the subsequent nomination only to the extent of the days specified. The days of the previous nomination outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only.

All nominations for transportation service must be made electronically through the Pipeline's Internet Web Site or by electronic data interchange. However, in the event of a failure of electronic nomination communication equipment, Internet, or third party service provider, or other similar emergency event which constitutes an event of force majeure pursuant to GT&Cs Section 21, Shipper may submit and Pipeline will accept written nominations, provided that such force majeure events are documented by an affidavit provided by Shipper to Pipeline within 24 hours of such event. Any such requests by Shipper for emergency treatment shall be handled on a not unduly discriminatory basis.

- 5.4 Nominations of Pooling Points. A Shipper may only submit an Aggregation Nomination as defined in GT&Cs Section 13.2 under its Pooling Service Agreement. A Shipper may only submit a Disaggregation Nomination as defined in GT&Cs Section 13.2 for transporting gas from a pool under its firm or interruptible transportation agreement(s).

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5.5 Upstream Confirmation Reductions. In the event that an upstream operating entity's confirmation, pursuant to Sections 4, 5.1 and/or 5.2 herein, reduces the scheduled quantities and such reductions are made in aggregate for the Receipt Point, Pipeline shall reduce such quantities in a corresponding amount on Pipeline's system based upon Shipper's ranking. To the extent reductions in the confirmation process are applicable to a contract (or to transactions within a contract that are charged the same percentage of the maximum rate), Pipeline will use Shipper's provided schedule ranks (in accordance with NAESB defined data sets), or pro-rata if no ranks are provided by Shipper, to effectuate such reductions to the scheduled quantities.

Pipeline shall not allow reductions below the elapsed pro-rata scheduled quantity without the express consent of the affected party(s). Elapsed-prorated-scheduled quantity means that portion of the scheduled quantity that would have theoretically flowed up to the effective time of the Intraday Nomination being confirmed, based upon a cumulative uniform hourly quantity for each nomination period affected. Elapsed-pro-rata scheduled quantity will apply to all nomination decreases submitted in the Intraday Nomination cycles.

5.6 Segmentation. Shipper may segment its capacity by nominating receipts or deliveries of gas on a primary point basis, subject to Sections 5, 6 and 11 of the GT&Cs. Shipper may segment its capacity by nominating receipt or deliveries of gas at any available point on Pipeline's system on a secondary firm basis, subject to Sections 5, 6 and 11 of the GT&Cs. Deliveries will be scheduled on a primary firm basis if utilizing Primary Receipt and/or Delivery Points within Shipper's capacity path and on a secondary firm basis if utilizing Secondary Receipt and/or Delivery Points within Shipper's capacity path. Segmentation of capacity will be permitted to the extent the segmented capacity would not impair Pipeline's ability to render

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services pursuant to its FT Rate Schedule and is operationally feasible. The maximum quantity of gas that may be nominated on a segmented portion, or overlapping segmented portions, of Pipeline's system shall not exceed the MDTQ of the Service Agreement under which the nominated service is provided. Segmentation of capacity will be permitted utilizing both forward haul and backhaul services. A Shipper's segmented transaction may consist of a forward haul up to the Shipper's MDTQ and a backhaul up to Shipper's MDTQ to the same Delivery Point at the same time. If a Shipper's segmentation of its capacity results in overlapping segments of Pipeline's system, Shipper shall pay the IT rate and applicable surcharges as set forth on Sheet No. 7 for the capacity on an overlapping segment(s).

6. SCHEDULING PROCEDURE

Service is deemed scheduled after Shipper submits a nomination in accordance with Section 5 of the GT&Cs and Pipeline confirms the nominated receipt of gas into the system and the nominated delivery of gas to Shipper, or for Shipper's account. Until Pipeline has informed Shipper that its nomination, whether monthly, daily, or intraday, is confirmed, such gas quantities will not be deemed scheduled. All scheduled quantities shall be timely posted on Pipeline's Internet Web Site.

6.1 The quantities nominated for transportation by Shipper shall be scheduled by Pipeline for receipt and delivery in the following order:

(a) Firm service utilizing Primary Receipt Points and Primary Delivery Points;

(b) Firm service utilizing Secondary Receipt Points and/or Secondary Delivery Points; provided, however, that if Pipeline is restricting service at a particular Receipt or Delivery Point then a Shipper utilizing that point as a primary point, regardless of the status at the corresponding Delivery or Receipt Point, should have priority over a Shipper using that restrained point as a

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Secondary Receipt or Delivery Point. Shippers with negotiated rates above the maximum reservation rate shall be treated the same as shippers with maximum reservation rate. Shippers with negotiated rates below the maximum reservation rate or a discount rate will be prioritized based upon highest price for Secondary Receipt Point and Secondary Delivery Point utilization. When Pipeline prioritizes secondary rights, Pipeline shall allocate capacity based on the highest percentage of a maximum applicable rate paid.

(c) Among Pipeline's firm service, Shippers scheduling excess receipts or deliveries for the purpose of resolving a prior imbalance in scheduled receipts or deliveries up to but not in excess, of the MDTQ of such Shipper;

(d) Interruptible service in sequence starting with the highest rate; and

(e) Among Pipeline's interruptible service, Shippers scheduling excess receipts or deliveries for the purpose of resolving a prior imbalance in scheduled receipts or deliveries, up to but not in excess, of the applicable contractual entitlement of such Shipper.

6.2 Within category 6.1(e) listed above transportation quantities shall be scheduled, to the extent practicable, to maintain the existing quantities of service to each Shipper.

6.3 In the event a tie for capacity exists among Shippers within categories 6.1(b), 6.1(c), 6.1(d) or 6.1(e) Shippers, quantities will be scheduled pro rata within each category.

6.4 Should Shipper be unable to accept the quantities of gas tendered at the Delivery Points on any Day, then Pipeline may refuse to receive gas at the Receipt Points on such Day. Should Shipper be unable to tender quantities of gas at the Receipt Points on any Day, then Pipeline may refuse to deliver gas at the Delivery Points on such Gas Day.

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6.5 Pipeline shall have the unqualified right to commingle gas transported hereunder with gas from other sources and other Shippers, and to treat and handle all such gas as under its possession and control. It is recognized that gas delivered by Pipeline may not be the same molecules as those received at the Receipt Points.

6.6 MDTQ Entitlement Limitation applicable to Service Agreements. After Pipeline confirms, and, if necessary, reduces Shipper's nomination pursuant to Section 6 of the GT&Cs, Pipeline may further reduce such nomination to the extent the combined nominations of Releasing Shippers and Replacement Shippers on any segment exceed the entitlement of the original firm capacity holder. To determine the total quantities nominated on any segment, nominations for forward haul service shall be added to nominations for backhaul service. If excess quantities are nominated in any segment, Shippers that have Capacity Path rights in that segment shall receive the highest priority under this GT&Cs Section 6.6 and other nominations for firm service shall be reduced on a pro rata basis.

6.7 Segment Priorities. After any adjustments to Shipper nominations for the MDTQ limitation described in GT&C Section 6.6, Pipeline shall schedule remaining nominations for gas flow through each segment of its system in the following order:

- (a) Among Shippers requesting firm service using the segment and it is within their Capacity Path entitlements.
- (b) Among Shippers requesting firm service using the segment and it is outside of their Capacity Path entitlements, provided however, when such nominations exceed the available capacity on the segment, Pipeline shall pro rate such capacity among Shippers nominating firm service outside of their Capacity Path entitlements on the segment based upon the quantities actually nominated by such Shippers.

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(c) In prioritizing nominations on each segment of Pipeline's system, Pipeline shall give backhaul transportation nominations secondary priority for purposes of this GT&Cs Section 6.7, and Pipeline shall net backhaul nomination against nominations for forward haul service in determining available segment capacity, unless Pipeline has reason to believe that the backhaul transportation service will not be performed on a continuous basis throughout the Gas Day.

7. OPERATIONAL BALANCING AGREEMENTS, DETERMINATION OF RECEIPTS AND DELIVERIES, ALLOWABLE DAILY DISPATCHING VARIATIONS, OVERRUN PENALTIES AND SCHEDULING PENALTIES

7.1 Operational Balancing Agreements ("OBA")

(a) For the purpose of minimizing operational conflicts between various pipeline facilities with respect to the delivery of gas to and from Pipeline's facilities, Pipeline may enter into Operational Balancing Agreements ("OBAs") with interstate or intrastate pipelines that operate natural gas facilities that directly interconnect with Pipeline's system (herein called "OBA Party"). Such OBA shall specify the gas custody transfer procedures to be followed by Pipeline and OBA Party for the confirmation of scheduled quantities of gas to be received by Pipeline at the Receipt Point or delivered by Pipeline at the Delivery Point. Such OBA will provide that any variance between actual quantities and scheduled and confirmed quantities at the point where the OBA is in place for any Gas Day shall be cashed out or resolved in-kind promptly pursuant to the terms of the OBA and that such daily scheduling and monthly balancing variances are the responsibility of the OBA Party.

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To facilitate such determination of variances on a timely basis, Pipeline and the OBA Party will agree in the OBA on necessary measurement and accounting procedures. Pipeline shall post on its Internet Web Site those Receipt Points and Delivery Points at which an OBA is in effect. When Pipeline enters into an OBA with a regulated interstate or intrastate pipeline, Pipeline may waive the daily nomination and scheduling provisions in Sections 5 and 6, herein, to maintain operational flexibility and integrity.

(b) Pipeline shall have no obligation to negotiate and execute OBAs with any OBA Party that:

(1) is not creditworthy as determined pursuant to GT&Cs Section 2; for purposes of such provision, references to Shipper shall refer to the OBA Party;

(2) does not maintain dispatching operations which are staffed on a continuous around-the-clock basis every day of the year;

(3) would cause the level of regulation which Pipeline is subject to prior to the execution of the applicable OBA to increase; or

(4) does not commit to timely determination of variances based on reasonable available measurement technology; or

(5) has not demonstrated operational consistency commensurate with the OBA relationship over a minimum period of three years.

(c) Nothing in this Section 7.1 nor any executed OBA shall limit Pipeline's rights to take action as may be required to adjust receipts and deliveries under any service agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Pipeline's system, including maintenance or service of higher priority Shippers and/or services.

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(d) Pipeline shall recover any costs and penalties directly associated with Pipeline's OBAs through the System Balancing Cost Reconciliation Mechanism pursuant to GT&Cs Section 12.8.

7.2 Determination of Receipts

A Shipper's receipts shall be the scheduled quantities transported to the Receipt Point, plus the Fuel Retainage Quantity. Any imbalances resulting from a variation between the aggregate of Shipper's receipts and measured flow at an interconnect shall be managed pursuant to an OBA with an upstream pipeline.

Shipper shall be responsible for any imbalances that it creates on the upstream pipeline. Such imbalance charges and penalties on the upstream pipeline shall be recovered by the upstream pipeline directly from the Shipper.

7.3 Determination of Deliveries.

The Delivery Point operator shall have sole physical control of a Delivery Point, including access to the measured volumes and shall maintain firm contract entitlements that are sufficient to control imbalances at the Delivery Point, and that reflect Primary Delivery Point entitlements corresponding to the Delivery Point.

(a) Each Delivery Point operator which takes gas quantities from Pipeline's system shall, in accordance with the nomination and ranking deadlines, set forth in Section 5 of the GT&Cs, provide Pipeline (or Shipper shall cause the interconnecting Delivery Point operator to provide Pipeline, if applicable) with a predetermined allocation (PDA) at the Delivery Point(s) where Pipeline tenders gas to such Delivery Point operator by 8:00 p.m. CCT on the day of gas flow. The Delivery Point operator shall select one of the following forms of PDA: (1) swing PDA, (2) percentage PDA, (3) pro rata PDA or (4) ranked PDA.

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The Delivery Point operator may select a form of PDA annually, provided however, Pipeline may, in its sole judgment, accept changes to a Shipper's PDA election more frequently than once a year. If the Delivery Point operator selects a swing PDA, it shall designate which services are to "take the swing" on any day that measured quantities are greater than or less than the scheduled quantities. The PDAs provided hereunder by such Delivery Point operator to Pipeline shall include: name of Shipper, contract number and quantity (limit value) at a transaction level and shall include a ranking of all available firm services (scheduled or unscheduled) to which measured quantities shall be allocated so as to eliminate or minimize any daily unauthorized overruns under this section.

The limit value will be used, in part or in total, in conjunction with the scheduled quantity to determine the total quantity to be allocated for the specified transaction. The Delivery Point operator shall provide Pipeline with unique limit values for high burn (measured quantities are in excess of scheduled) or low burn (measured quantities are less than scheduled) situations. PDAs provided by the Delivery Point operator shall be consistent with the rate schedule(s) limitations and the provisions of Section 14 of the GT&Cs. To the extent that the high burn PDAs do not fully use all available firm services, Pipeline shall consider any measured quantities in excess of the sum of the scheduled quantities and PDAs as dispatching variations pursuant to Section 7.5 and unauthorized daily overruns, if applicable, pursuant to this Section 7. If sufficient PDAs are not provided by the Delivery Point operator in a low burn situation, Pipeline reserves the right to reduce the allocated quantities to all available services of the

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Delivery Point operator on a pro-rata basis until the total allocated quantity is equal to the total measured quantity. If necessary, Pipeline shall reduce all remaining deliveries at the Delivery Point(s) where Pipeline tenders gas to the Delivery Point operator on a pro-rata basis until the allocated quantity is equal to the measured quantity.

Prior-period adjustments to scheduled quantities and PDAs shall be permitted by Pipeline only if all parties affected by the resulting prior period reallocation (including Pipeline) consent in writing to the adjustment; provided, however, Pipeline shall not unreasonably withhold such consent.

Area Points. Area Points shall be defined as a Shipper's Primary Delivery Points in a contiguous geographic area. A Shipper may aggregate its MDDQ to its Area Point, rather than to specific Primary Delivery Points.

(b) Deliveries at Pipeline Interconnects

An imbalance for an OBA Party shall be based on the difference between total actual quantities of gas received or delivered through the affected meter and the total aggregated scheduled quantities for that meter, which shall be used as the actual quantities of gas received or delivered. Imbalances will be resolved pursuant to the OBA between Pipeline and the OBA Party.

7.4 Determination of Make-Up Receipts and Deliveries.

Make-up quantities, including imbalance quantities that are being resolved in-kind, shall be deemed to be the "last through the meter." Imbalance quantities returned in-kind in the current Month are applied first to the previous Month imbalance until such balance is zero and then applied to the current Month imbalance.

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7.5 Allowable Daily Dispatching Variations. The allowable daily dispatching variation shall be established daily by Pipeline and posted on its Internet Web Site each Gas Day for which an OFO is in effect. The available daily dispatching variation shall not be less than, the greater of: one and one half percent (1.5%) of Shipper's MDTQ, 100 Dt or two (2%) percent of the sum of the Maximum Daily Delivery Obligation ("MDDO") at the respective Delivery Points under the Pipeline's Rate Schedule FT and the scheduled daily delivery each day under Pipeline's Rate Schedule IT when interruptible capacity on Pipeline's system is allocated or when such service is limited pursuant to the provisions of Sections 9 and 10 of the GT&Cs. A Shipper's MDDO shall be the scheduled quantities. The allowable daily dispatching variation shall be applicable to unauthorized daily overruns and unauthorized daily underdeliveries.

7.6 Delivery Point Unauthorized Daily Overrun. Any quantity of gas taken by a Shipper from Pipeline on any day an OFO is in effect in excess of the sum of the applicable, allowable daily dispatching variation for the Shipper's MDTQ or the Pipeline's MDDO shall constitute unauthorized daily overrun quantities.

Pipeline shall notify Shippers via its Internet Web Site that gas taken in excess of Pipeline's MDDO shall be subject to the GT&C Section 7.7 "Unauthorized Daily Overrun Penalties".

7.7 Unauthorized Daily Overrun Penalties. Shipper shall pay a penalty for unauthorized daily overruns occurring at the time an OFO is issued. The OFO penalty under this section shall be calculated as follows: If Shipper takes on any day unauthorized overrun quantities in excess of the allowable daily dispatch variations set forth in Section 7.5 above, Shipper shall pay the cost of such overrun gas plus a penalty of \$5.00 per Dt for unauthorized overrun quantities in excess of 2% up to 5% of that allowable variation for the particular day; \$15.00 per Dt for unauthorized overrun quantities in excess of 5% up to 8% of that allowable variation for the particular day,

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and a penalty of \$20.00 per Dt for any quantity in excess of the 8% of that allowable variation for the particular day. The cost of gas shall be the Daily Gas Index Price for the higher of the Gas Day of receipt and delivery, the Gas Day preceding receipt or delivery, or the Gas Day following receipt and delivery, as applicable. Provided however, if Pipeline's allowable daily dispatch variation is higher than the minimum floor set forth pursuant to Section 7.5, Shipper will not incur a penalty for any unauthorized overrun quantities equal to or less than that particular day's posted allowable daily dispatch variation. Such penalties do not mitigate Shipper's responsibility to resolve imbalances resulting from such overruns.

The payment of a penalty for such daily unauthorized overrun gas hereunder shall under no circumstances be considered as giving Shipper the right to take unauthorized overrun gas or be considered as a substitute for any other remedy available to Pipeline against the offending Shipper for failure to stay within Shipper's applicable, allowable daily dispatching variation.

7.8 Unauthorized Daily Underdelivery Penalties. Shipper shall pay a penalty for unauthorized daily underdeliveries occurring at the time an OFO is issued. Such OFO penalty amount under this section shall be calculated as follows: If Shipper does not transport on any day its scheduled quantities minus the allowable daily dispatch variations set forth in Section 7.4 above, Shipper shall pay a penalty of \$5.00 per Dt for unauthorized underdelivery quantities in excess of 2% up to 5% of that allowable variation for the particular day; \$15.00 per Dt for unauthorized underdelivery quantities in excess of 5% up to 8% of that allowable variation for the particular day, and a penalty of \$20.00 per Dt for unauthorized underdelivery quantities in excess of the 8% of that allowable variation for the particular day. Provided however, if Pipeline's allowable daily dispatch variation is higher than the minimum floor set forth pursuant to Section 7.5, Shipper will not incur a penalty for any unauthorized underdelivered quantities equal to or less than that particular day's posted allowable daily dispatching variation. Shipper shall pay a penalty only for unauthorized underdelivery quantities occurring at the time an OFO is issued. Such penalties do not mitigate Shipper's responsibility to resolve imbalances resulting from such underdelivery.

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The payment of a penalty for such daily unauthorized underdelivered gas hereunder shall under no circumstances be considered as giving Shipper the right to not transport its scheduled gas or be considered as a substitute for any other remedy available to Pipeline against the offending Shipper for failure to stay within Shipper's applicable MDDO.

- 7.9 Scheduling Penalty. Shipper shall pay a scheduling penalty for each Dt delivered at Shipper's Delivery Point in excess of 102% of scheduled quantities. The scheduling penalty shall be the IT rate published on Sheet No. 7 multiplied by each Dt delivered at Shipper's Delivery Point in excess of 102% of the scheduled quantities. Shipper shall pay the scheduling penalty in addition to any other applicable charges and penalties.
- 7.10 Disposition of Penalties. All overrun and underdelivery penalties collected by Pipeline during a calendar year, less the amount collected for such overrun gas under Pipeline's Rate Schedule IT rate per Dt multiplied by the total volume of overruns, shall be directly refunded annually to each Non-Offending Shipper, as set forth in GT&Cs Section 25 for the Month(s) in which such penalties were incurred. Such refunds shall be distributed pursuant to Section 25 of the GT&Cs.
8. MAXIMUM DAILY DELIVERY QUANTITY, INSTALLATION OF FLOW CONTROL EQUIPMENT, AND HOURLY FLOW RATE

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8.1 Maximum Daily Delivery Quantity ("MDDQ")

- (a) Applicability. This Section of the GT&Cs applies to each Shipper for which Pipeline renders or delivers firm service at one or more Delivery Points. This Section specifies the MDDQ at each such Delivery Point.

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(b) Where Pipeline, pursuant to 8.1(d) herein, provides Shipper with deliveries at an individual Delivery Point in excess of Shipper's otherwise applicable MDDQ ("excess deliveries"), the MDDQ for that Delivery Point shall be adjusted upward to reflect the increased deliveries Pipeline has agreed to provide and the Shipper's MDDQ at its remaining Delivery Points shall be reduced by a like amount in a manner as mutually agreed upon by Shipper and Pipeline for the period Pipeline has agreed to make such excess deliveries. The MDDQ for each Gas Day at each Delivery Point, which represents a limitation applicable to the combined deliveries under all rate schedules under which Pipeline delivers firm service to Shipper, shall not exceed Shipper's MDTQ.

(c) More than One Shipper. If the quantity of gas delivered at a single Delivery Point is applicable to gas delivered by Pipeline to more than one Shipper, then the total measured quantity shall be allocated in accordance with the PDA methodology chosen by the Delivery Point operator in accordance with GT&Cs Section 7.2.

(d) Delivery Point Authorized Daily Overrun. Shipper may submit to Pipeline a request for an authorized waiver of Shipper's MDDQ or segment entitlement on the Gas Day prior to scheduled flow or on the Gas Day of scheduled flow. Pipeline may transport for Shipper the requested deliveries in excess of Shipper's MDDQ or segment entitlement to the extent physical operating conditions permit and to the extent Pipeline is able reasonably to determine that such deliveries will not impair Pipeline's ability to provide firm service to other Shippers on Pipeline's system. In such circumstances, the delivery of gas in excess of Shipper's MDDQ or segment entitlement will be firm, provided that the total scheduled deliveries for such Shipper at all of its Delivery Points do not exceed Shipper's MDTQ.

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In the event Shipper, without prior authorization by Pipeline, takes on any Gas Day at any individual Delivery Point a quantity of gas which is greater than Shipper's applicable MDDQ or segment entitlement, then the quantity in excess of the MDDQ or segment entitlement shall be Shipper's Delivery Point unauthorized daily overrun for such Gas Day and GT&Cs Section 7.5 shall apply.

(e) Updating Delivery Quantity. Pipeline shall file to amend each affected Shipper's Delivery Quantity to reflect any additional flexibility provided by incremental capacity expansion projects after: (1) Shipper and Pipeline have executed the agreement for such incremental service; and (2) the incremental facilities related thereto have been constructed and are ready for service.

8.2 INSTALLATION OF FLOW CONTROL EQUIPMENT

Pipeline may elect to construct, install, and operate flow control equipment at any location on its pipeline system whenever it determines in its reasonable judgment that such equipment will contribute to the safe, reliable, efficient and orderly operation of its pipeline system in a manner that is consistent with its obligation to provide service under all of its rate schedules.

8.3 HOURLY RATES OF FLOW

(a) Uniform Flow Rates:

All gas delivered to or by Pipeline under its transportation Rate Schedules shall be delivered at rates as constant as operationally feasible throughout the day, and except as provided in Section 8.3(b) below, Pipeline shall not be obligated to deliver gas under its transportation Rate Schedules in excess of uniform hourly rates.

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(b) Authorized Fluctuations in Flow Rates:

Pipeline may allow Shipper to take gas during any hour at its Primary Delivery Points at an hourly rate necessary to serve its firm markets; provided, however, Pipeline reserves the right to take necessary measures to preserve system integrity.

9. OPERATIONAL FLOW ORDERS

9.1 Pipeline reserves and will have the right to issue Operational Flow Orders ("OFOs") to preserve the integrity of Pipeline's system, to prevent or respond to a force majeure event, to ensure adequate operating pressures, to have adequate supplies in the system, to assure adequate fuel and Fuel Retainage Quantity, to maintain firm services and to stabilize the operation of the system. To the extent possible, Pipeline will identify discrete Shipper(s) whose action(s) require Pipeline to issue an OFO and Pipeline will limit the applicability of OFO(s) to such Shipper(s). Notwithstanding the foregoing, if Pipeline is unable to identify discrete Shipper(s) whose action(s) require issuance of an OFO, OFOs will be issued as necessary to resolve the operational problem. Once an OFO has been issued, Pipeline will cooperate with the affected Shippers to accomplish the results intended by the OFO. So long as Pipeline acts reasonably and in good faith, Pipeline shall not be liable for any damages suffered by Shipper or by any third party.

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9.2 Notice of OFOs.

(a) If Pipeline is required to issue an OFO, Pipeline will post a notice of such OFO on its Internet Web Site and will send an email or fax to Shipper(s) with a description of the necessity of such order, the Shipper(s), Receipt Points or Delivery Points or the section of the Pipeline impacted to which the order is directed, and the anticipated duration of such order. To the extent discrete Shipper(s) are not identified in any notice of an OFO, such order will be applicable to all Shippers and will be posted on the Pipeline's Internet Web Site. To the extent feasible under the circumstances, Pipeline will post any notice of a Critical Mode OFO at least 2 hours prior to the last nomination cycle prior to such order becoming effective. It is recognized, however, that such prior notification may not be possible under all circumstances. Pipeline will post a notice on the Pipeline's Internet Web Site informing Shipper(s) when any OFO in effect will be canceled. If the Pipeline's Internet Web Site is not operating properly, notices shall be sent pursuant to Section 29.

(b) Based on an evaluation of current and forecasted system conditions, Pipeline shall post by 1 p.m. CCT each Gas Day the operating conditions for the current Gas Day and the projected operating conditions for the succeeding two Gas Days. Such operating conditions will be posted to be Normal, Alert, or Critical Mode. The operating conditions may be different for Delivery Points within the various geographic areas of Pipeline's system.

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(i) Normal Mode shall be implemented when system conditions do not warrant a correction in flow, and when no known threat to system conditions exist.

(ii) Alert Mode shall be implemented when system conditions warrant a correction in flow, or when a threat to system conditions exist.

(iii) Critical Mode shall be implemented when system conditions warrant a prompt or immediate correction in flow or when an event has occurred or is occurring that jeopardizes the Pipeline's system integrity.

(c) When Pipeline changes the operating condition from Normal to Alert, Alert to Normal, Alert to Critical, Critical to Alert, Normal to Critical or Critical to Normal, Pipeline shall provide notice to its Shippers by posting such change on the Pipeline's Internet Web Site. Notices to implement an OFO under Section 9 or to change to or from a Critical Mode shall be delivered to Shipper by the Pipeline's Internet Web Site pursuant to the terms of GT&Cs Sections 29 and 36. Notices shall be given as soon as practicable but no shorter than the notice periods set forth below:

(i) for Alert Mode Notice: at least 24 hours prior to the beginning of the Gas Day to which the notice applies;

(ii) for Critical Mode Notice: at least 2 hours, unless an immediate response is required for exigent circumstances prior to the effective time of the notice. Such notice shall specify the beginning time of the OFO and such OFO shall remain in effect until cancelled by Pipeline. In the notice Pipeline shall specify the reason for the OFO and the expected conditions that would cause release of the order.

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- (d) If an Alert Mode Notice indicates that an OFO may be imminent, Pipeline will advise what action is requested and what future actions may be mandated if voluntary steps are not taken. Under such circumstances, Shippers are asked to comply as quickly as possible with the Alert Mode Notice to reduce the need for further action by Pipeline. Shippers should be prepared to act on short notice. The Alert Mode Notice may be directed to all Shippers or to specific Shippers on a not unduly discriminatory basis. By issuing an Alert Mode Notice, Pipeline shall not be precluded from issuing further OFO notices if circumstances ultimately require. The Alert Mode Notice is intended to provide Shippers the opportunity for voluntary compliance, rather than requiring mandatory action under the OFO provisions of the Pipeline's Tariff. If voluntary compliance does not resolve the circumstances causing the Alert Mode Notice, Pipeline has the discretion to implement a Critical Mode Notice on those Shipper(s) or to curtail Shipper(s) causing or contributing to the condition.
- 9.3 OFO Penalties. To the extent Pipeline issues an OFO (other than an Alert Mode Notice) and Shipper(s) does not comply with such order, Pipeline will assess and Shipper will be obligated to pay Pipeline a fee of \$20.00 per Dt. Such fee will be assessed on each Dt of gas received into or delivered out of Pipeline's system when such receipts and/or deliveries are not in compliance with any OFO in effect. If the OFO penalty is imposed, no curtailment penalty, no unauthorized daily overdelivery penalty under GT&Cs Section 7.7, no unauthorized daily underdelivery penalty under GT&Cs Section 7.8, and no scheduling penalty under GT&Cs Section 7.9, will also be imposed for the same infraction. Also, multiple OFO penalties will not be assessed for the same infraction. All OFO penalties collected by Pipeline shall be accounted for as part of Pipeline's penalty revenue sharing pursuant to GT&Cs Section 25. The payment of a penalty under this Section 9 shall under no circumstances be considered as giving the Shipper the right to violate OFOs nor shall such payment be considered as a substitute for any other remedy available to Pipeline or any other Shipper against the offending Shipper for failure to comply with an OFO.

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9.4 Interconnecting Pipeline OFOs. To the extent a directly interconnected pipeline issues an OFO, Pipeline may concurrently issue an OFO. Although notice and type shall follow the provisions in such interconnected pipeline's gas tariff, penalties shall be those enumerated in Pipeline's Tariff.

9.5 The following provisions in Pipeline's Tariff constitute OFOs or critical periods on Pipeline's system:

Notice Number	Short Description	GT&Cs Section
SCG-1	Hourly Market Demand Exceeds Capacity	8.3
SCG-2	Unauthorized Daily Overdeliveries and/or Underdeliveries	7.5-7.9
SCG-3	Daily Shipper Imbalances Threaten System Integrity	12.10
SCG-4	Daily Pool Receipt	13.5
SCG-5	Interconnected Pipeline OFO	9.4

9.6 Pipeline shall publish a report on its Internet Web Site as soon as available, providing information about the reason for issuing the OFO, the status of the operational variables that determine when an OFO is issued, the Shippers affected, the time and date when the OFO will begin, when the OFO is expected to end, explain why the OFO was issued and what specific actions are required from the affected Shippers. The report will be updated when new information is available. Additionally, Pipeline shall publish a final report on its Internet Web Site, within three (3) business days from the date an OFO is lifted, providing the details regarding an OFO.

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10. CURTAILMENT

10.1 Pipeline shall have the right to curtail transportation services, in whole or in part, on all or a portion of its system at any time for reasons of Force Majeure or when, in Pipeline's sole judgment, capacity or operating conditions so require or it is desirable or necessary to make modifications or operating changes to its system. Pipeline shall provide Shipper such notice of the curtailment of each Shipper's scheduled service as is reasonable under the circumstances. Pipeline shall have the unqualified right to curtail transportation services at any time under Pipeline's interruptible Rate Schedules to provide service under Pipeline's firm Rate Schedules or to serve a higher priority interruptible service.

10.2 In the event that service is curtailed then Pipeline shall reduce each Shipper's scheduled service in the following order:

(a) first, ratably pursuant to interruptible transportation service scheduled for the purpose of resolving a prior imbalance in scheduled receipts or deliveries; and

(b) then, ratably pursuant to interruptible transportation Shippers except for those Shippers' services included in (c) below. Pipeline shall allocate capacity among Shippers paying the same rate pro rata on the basis of scheduled quantities; and

(c) then, ratably to Shippers paying the maximum rate under the Rate Schedule IT, scheduling interruptible service; provided, however, Shippers paying a negotiated rate which exceeds the maximum rate will be considered for purposes of this Section 10.2(c) to be paying the maximum rate; and

(d) then, pro rata on the basis of MDTQ to firm transportation service scheduled for the purpose of resolving a prior imbalance in scheduled receipts or deliveries up to but not in excess of Shipper's MDTQ; and

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(e) then, pro rata on the basis of MDTQ to Shippers having scheduled services previously confirmed pursuant to Pipeline's Rate Schedule FT at Primary or Secondary Receipt Points and Primary or Secondary Delivery Points.

10.3 If curtailment is caused by an event occurring at a specific Receipt Point, Delivery Point or Pipeline's system, then quantities will be curtailed based on the utilization of that point as firm or interruptible and in the order specified above.

10.4 (a) Without regard to any other remedy provided by law or by the provisions hereof, Pipeline shall be entitled to seek an order from the Commission or any other appropriate tribunal requiring compliance with a curtailment order by Pipeline in compliance with this Section 10.4. or any directive from any governmental authority having jurisdiction in the premises.

(b) All volumes received and/or taken in violation of Pipeline's curtailment orders shall constitute unauthorized receipts or deliveries of gas for which a charge of \$50.00 per Dt plus cost of gas shall be assessed in addition to any other applicable rate, charge or penalty. The cost of gas shall be the Daily Gas Index Price for the higher of the Gas Day of receipt and delivery, the Gas Day preceding receipt or delivery, or the Gas Day following receipt and delivery as applicable. Such charge shall be applicable to all such unauthorized receipts and deliveries following notification of curtailment pursuant to Section 10.5. below.

10.5 Notice of Curtailment.

(a) Notice by Pipeline. Pipeline shall provide Shipper with notice of curtailment at a time and in a manner that is reasonable under then existing conditions and shall confirm in writing pursuant to Section 29.

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(b) Notice by Shipper. Shipper shall have the responsibility to inform its end-users, suppliers, other Pipelines and all others involved in the transaction, as to any curtailment or interruption.

(c) Notice of a Shipper Emergency Situation. Pipeline shall provide notice to any Shipper that is curtailed to a lower quantity as a result of a request submitted under the Shipper Emergency Situation relief provisions of Section 10.6 below. Such notice shall be provided in a time and manner that is reasonable under then existing conditions, but no later than two (2) hours of such curtailment. In the event Shipper requesting Shipper Emergency Situation relief provides the sworn statement required by Section 10.6, Pipeline shall provide a copy of the sworn statement at the request of any Shipper curtailed to a lower quantity or service is discontinued as a result of the anticipated sworn statement.

10.6 Shipper Emergency Situation. In the event Pipeline is advised by a Shipper that, absent adjustment of the curtailment level contemplated by Sections 10.2 and 10.3, the Shipper will be unable for the duration indicated by Shipper to avoid irreparable injury to life or property or to provide for minimum plant protection ("Shipper Emergency Situation"), then Pipeline may adjust its curtailment of all other Shippers on a pro rata basis as necessary to deliver the quantities required to avoid or mitigate the threatened or existing Shipper Emergency Situation. While Pipeline may make adjustments in curtailment promptly upon notification by Shipper, Shipper must provide Pipeline within twenty-four (24) hours of notification a sworn statement including:

(a) a detailed explanation of and an estimated duration for the Emergency Situation;

(b) affirmation that all sources of gas supply available to Shipper, including peak-shaving and storage, were and are being utilized to the maximum extent possible during the time period for which the exception to the curtailment provisions of this Section 10.6. is in effect;

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(c) affirmation that all interruptible services provided by Shipper were and are being discontinued during the time period for which the exception to the curtailment provisions of this Section 10.6 is in effect;

(d) affirmation that no alternate fuel could be utilized or is available to be utilized to prevent the necessity for an exception to the curtailment provisions of this Section 10.6; and

(e) affirmation that, if the Shipper Emergency Situation is an environmental emergency, the Shipper has made and continues to make all feasible efforts to resolve the environmental emergency, including requests for waiver, exemption, and other relief from any regulation, directive, order or other equipment of a governmental body. Shipper shall provide Pipeline immediate notice of the cessation of the Shipper Emergency Situation. Notwithstanding any provision of this Section 10.6, however, Shipper shall not be entitled to relief under this Section 10.6: (1) to the extent that a Shipper Emergency Situation is due to the Shipper's failure to have adequate transportation arrangements in effect for the delivery of Shipper's gas at the Receipt Points or Delivery during the relevant period, or (2) to the extent that the quantity of gas required to meet such Shipper Emergency Situation exceeds such Shipper's firm contractual rights. Pipeline shall not be liable for granting exceptions to the curtailment provisions of this Section 10 for any Shipper based upon a request submitted by any such Shipper to Pipeline under the Shipper Emergency Situation relief provisions of this Section 10.6.

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In the event Shipper does not provide the sworn statement as required by this Section 10.6, then all quantities attributable to the adjustments made by Pipeline shall be billed at a rate of \$50.00 per Dt plus cost of gas in addition to any other applicable rate, charge or penalty. The cost of gas shall be the Daily Gas Index Price for the higher of the Gas Day of receipt and delivery, the Gas Day preceding receipt or delivery, or the Gas Day following receipt and delivery as applicable. All revenues attributable to such \$50.00 per Dt charge shall be credited, pro rata on the basis of the increase in curtailment caused by the invocation of this Section 10.6, to those firm Shippers curtailed to a lower quantity as a result of the Shipper Emergency Situation.

10.7 Compensation. If a Shipper requests that Pipeline invoke Section 10.6, then the requesting Shipper's invoice for such Month shall be adjusted upward to reflect the following changes:

(a) an amount equal to the aggregate curtailment adjustment quantity requested by the Shipper pursuant to Section 10.6 multiplied by the Daily IT Usage Charge for the applicable rate schedule multiplied by 3.

(b) All revenues attributable to such adjustment shall be credited, on a pro rata basis, based on each firm Shipper's additional curtailment quantity due to the Shipper Emergency Situation divided by the aggregate of all Shippers' additional curtailment quantity due to the Shipper Emergency Situation, to those firm Shippers curtailed to a lower quantity as a result of the Shipper Emergency Situation.

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10.8 Shipper shall indemnify Pipeline against and hold Pipeline harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any curtailment or interruption invoked by Pipeline; which shall include any curtailment or interruptions described in any part of Section 10; except if such damages, claims, suits, actions or proceedings are due to Pipeline's gross negligence, undue discrimination or willful misconduct.

10.9

(a) In the event Pipeline fails to deliver on any one day at least 98% of the quantity of gas scheduled which Pipeline is obligated to deliver on a firm basis at such Delivery Points on such day up to the MDTQ, the Reservation Rate of an affected Shipper shall be decreased by an amount equal to the Reservation Rate on a 100% daily load factor basis multiplied by the quantity of gas not delivered up to the lesser of the total quantity of gas scheduled and not delivered, or the MDTQ. The 100% daily load factor Reservation Rate shall be discounted in the case of an executed service agreement containing a discounted Reservation Rate in the same proportion such Reservation Rate is discounted from the maximum Reservation Rate. Provided however, the Reservation Rate of the affected Shipper shall be decreased on a 100% daily load factor basis for the quantity of gas scheduled to be delivered on a firm basis, which Pipeline does not deliver due to Pipeline's mismanagement, negligence or willful misconduct.

(b) Pipeline shall not be obligated to adjust the Reservation Charge pursuant to Section 10.9(a) above, when Pipeline's failure to deliver on any one day at least 98% of the quantity of gas requested by Shipper to be delivered at Point(s) of Delivery which Pipeline is obligated to deliver on a firm basis at such Point(s) of Delivery on such day up to the MDTQ:

(1) is the result of the conduct of Shipper or the downstream operator of the facilities at the Point of Delivery;

(2) is the result of Pipeline having an OFO in effect on such day;

(3) is the result, during the period from May 1 through November 1 of any year, of Pipeline performing routine operational maintenance and repair;

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(4) is the result of Pipeline performing at any time repair and maintenance of its facilities to comply with applicable regulatory requirements, or

(5) occurs either (1) within ten (10) days following a force majeure event as contemplated by GT&Cs Section 21, or (2) prior to the date Pipeline has or should have, in the exercise of due diligence, overcome the force majeure event, whichever occurs first provided, however, (c) and (d) are also subject to the notice and due diligence requirements of GT&Cs Section 21 (Force Majeure).

11. CAPACITY RELEASE

This Section 11 sets forth a firm capacity release mechanism subject to the provisions of Subpart G of Part 284 of the Commission's Regulations, pursuant to which existing Shippers can voluntarily release and assign all or part of their firm service rights to (1) a shipper(s) that has executed a capacity release umbrella agreement and has acquired all or part of the firm service rights of a firm shipper through the Pipeline's capacity release procedures (Replacement Shipper), or (2) a Replacement Shipper(s) that has executed a capacity release umbrella agreement and is specifically designated by the shipper releasing capacity to obtain its released capacity (Prearranged Shipper). Shippers may release and assign their firm capacity on Pipeline under any firm, open access Service Agreement only under this Section 11 of Pipeline's GT&Cs (Releasing Shipper). Pipeline will use an open bidding format and will post each Releasing Shipper's offer to release capacity (herein called Releasing Shipper's Notice) and all the bids against that Releasing Shipper's Notice, provided that bidders' names shall not be posted except for the names of the Successful Bidders. Bids are to be based on the Reservation Rate only, provided the Reservation Rate may be converted into a volumetric charge. The maximum rate for such volumetric releases shall be no greater than the 100% load factor equivalent of Pipeline's maximum Reservation Rate currently applicable to the service released as set forth Tariff Sheet No. 7. For purposes of this Section 11, a Shipper is entitled to specify a rate for capacity to be released equal to the maximum Reservation Rate, plus all applicable surcharges.

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11.1 Service Agreements Eligible for Capacity Release.

Shippers under any firm Service Agreement, except as specifically restricted by the applicable rate schedule, are permitted to release their firm capacity in whole or in part, on a permanent or temporary basis, and on a firm or recallable basis. Such Releasing Shipper may propose an entity to obtain its released capacity from Pipeline.

11.2 Notice.

Notice of Capacity Release. A firm Shipper that wants to release any or all of its capacity shall post the release on the Pipeline's Internet Web Site or, where applicable, by electronic data interchange by the posting deadline as determined pursuant to Section 11.3 herein. Such Releasing Shipper's Notice shall provide the terms and conditions of the release as follows:

- (a) the releasing agreement;
- (b) on a permanent or temporary basis;
- (c) on a firm or recallable basis including the specifics of any recall right, as well as recall method and rights;
- (d) the Business Day upon which the Bid Period will expire if other than as specified in Section 11.3 herein;
- (e) the quantities to be released at specific locations;
- (f) the period of time or term, including any objective, not unduly discriminatory right of recall;
- (g) any Prearranged Shipper proposed to obtain released capacity under the rates, terms and conditions contained in the Releasing Shipper's Notice;
- (h) the minimum Reservation Rate, if any, or, if the Releasing Shipper elects; the minimum Reservation Rate restated on a volumetric basis.

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(i) whether bids should be submitted in dollars and cents or percentages of maximum tariff rate;

(j) the bid evaluation method which shall be, at the Releasing Shipper's option, either one of the following three standard evaluation methods: highest rate, net revenue or present value; or alternative Releasing Shipper defined bid evaluation methods pursuant to Section 11.2(k) below; provided, however, that Pipeline shall not be required to process the capacity release using the standard process timeline should the Releasing Shipper elect an alternative method of bid evaluation;

(k) at the Releasing Shipper's option and in lieu of Pipeline implementing the Best Bid determination stated in Section 11.5, the Releasing Shipper may state the bid evaluation method. Such bid evaluation method shall be objectively stated, applicable to all Replacement or Prearranged Shippers and not unduly discriminatory and shall enable Pipeline to rank the bids received by utilizing the weight assigned by the Releasing Shipper to each element of the Releasing Shipper's Notice;

(l) whether contingent bids will be accepted and if so, for what time period each contingent bidder will be allowed to eliminate the contingency; and, if not eliminated, all details concerning the evaluation of other bids, including the time period when the next highest bidder will be obligated to acquire the capacity;

(m) expiration of Matching Period if other than as specified in Section 11.3 herein; Releasing Shipper shall not be allowed to specify an extension of the original Bid Period or the Prearranged deal Matching Period without posting a new release; and

(n) any additional terms and conditions of releases that are objective and non-discriminatory.

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11.3 Posting Requirements and Bid Periods. The Capacity Release timeline is applicable to all parties involved in the Capacity Release process; however, it is only applicable if (1) all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered and (2) there are no special terms or conditions of the release. Any capacity release transaction, including a prearranged offer, for longer than 31 days must be posted for bidding pursuant to the requirements in this Section 11.3. A capacity release transaction for 31 days or less may be posted for bidding pursuant to the requirements in this Section 11.3. Any Releasing Shipper's completed Notice will be posted on the Pipeline's Internet Web Site and by electronic data interchange until the expiration of the Bid Period, except for those Releasing Shippers' Notices for capacity release of thirty-one (31) Days or less for which the Releasing Shipper has obtained a Prearranged Shipper and the Releasing Shipper elects not to post such proposed capacity release for bidding pursuant to Section 11.3. If Shipper elects to post a prearranged deal for 31 days or less, the information must be posted not later than forty-eight (48) hours after the finalization of all contractual arrangements. All terms and conditions of completed capacity release transactions will be posted on the Pipeline's Internet Web Site, including the names of the Releasing Shippers involved in the capacity release transaction.

(a) Capacity Releases Subject to Bidding. The proposed duration of the Shipper's release determines the minimum Bid Period for the Releasing Shipper's Notice pursuant to this Section 11. These Bid Periods are as follows:

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Superseding: Substitute Original Sheet No. 103

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- (1) NAESB WGQ Version 1.7 standard 5.3.2 verbatim:
For biddable releases (less than 1 year):
- offers should be tendered by 12:00 P.M. on a Business Day;
 - open season ends no later than 1:00 P.M. on a Business Day (evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken);
 - evaluation period ends and award posting if no match required at 2:00 P.M.;
 - match or award is communicated by 2:00 P.M.;
 - match response by 2:30 P.M.;
 - where match required, award posting by 3:00 P.M.;
 - contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

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First Revised Sheet No. 103A First Revised Sheet No. 103A : Superseded

Superseding: Original Sheet No. 103A

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- (2) NAESB WGQ Version 1.7 standard 5.3.2 verbatim:
For biddable releases (1 year or more):
- offers should be tendered by 12:00 P.M. four Business Days before award;
 - open season ends no later than 1:00 P.M. on the Business Day before timely nominations are due (open season is three Business Days);
 - evaluation period begins at 1:00 P.M. during which contingency is eliminated, determination of best bid is made, and ties are broken;
 - evaluation period ends and award posting if no match required at 2:00 P.M.;
 - match or award is communicated by 2:00 P.M.;
 - match response by 2:30 P.M.;
 - where match required, award posting by 3:00 P.M.;
 - contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

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- (a) Timeline for Non-Standard Releases. If the Releasing Shipper specifies a bid evaluation methodology other than highest rate, net revenue or present value or any other special terms or conditions, the above timeline shall apply; provided, however, one additional Business Day will be added to the evaluation period. Such extended evaluation period shall cause gas flow to be at least one Gas Day later than gas could flow under the timeline set forth in Section 11.3(a) (1) or Section 11.3(a) (2).
- (b) NAESB WGQ Version 1.7 standard 5.3.2 verbatim:
For non-biddable releases:
Timely Cycle
- posting of prearranged deals not subject to bid are due by 10:30 A.M.;
 - contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)
- Evening Cycle
- posting of prearranged deals not subject to bid are due by 5:00 P.M.;
 - contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

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First Revised Sheet No. 104A First Revised Sheet No. 104A : Superseded
Superseding: Original Sheet No. 104A

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Intraday 1 Cycle

- posting of prearranged deals not subject to bid are due by 9:00 A.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

Intraday 2 Cycle

- posting of prearranged deals not subject to bid are due by 4:00 P.M.;
- contract issued within one hour of award posting (with a new contract number, when applicable); nomination possible beginning at the next available nomination cycle for the effective date of the contract. (Central Clock Time)

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11.4 Posting Requirements for Capacity Releases Not Subject to Bidding. For proposed capacity releases of a duration of thirty-one (31) Gas Days or less for which the Releasing Shipper has obtained a Prearranged Shipper and the Releasing Shipper elects not to post such capacity releases pursuant to Section 11.3(a)(1). Such information will be posted on the Pipeline's Internet Web Site as required by Section 11.3(a)(1). Contractual arrangements for releases not subject to bidding shall be processed in the same time period as those releases subject to bidding.

11.5 Allocation of Released Capacity.

(a) Pipeline shall select the Best Bid as defined in Section 11.5(d) from among the bids received. However, if more than one bidder submits the Best Bid, the first bidder in time, inclusive of the Prearranged Shipper, shall be selected and posted as the Best Bid, unless the Releasing Shipper specifies another tie-breaking methodology in the Releasing Shipper's Notice; provided, however, that a Shipper exercising its right of first refusal is awarded capacity in the event of tie bids; provided, further, that Pipeline may reject any bid by a Shipper exercising its right of first refusal that is less than the maximum rate.

(b) In the event a contingent bid is submitted pursuant to Section 11.2(1), the Replacement or Prearranged Shipper submitting the contingent bid shall have one hour from 2:00 p.m. CCT to 3:00 p.m. CCT on the day the Bid Period ends to eliminate the contingency or withdraw its bid. If the Replacement or Prearranged Shipper fails to notify Pipeline that the contingency is not eliminated within such time, such contingent bid shall be deemed rejected by Pipeline for failure to eliminate the contingency in accordance with the releasing Shipper's Notice.

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Original Sheet No.106 Original Sheet No.106 : Superseded

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(c) Any Replacement Shipper may make an upward revision to or withdraw its bid during the Bid Period through the Pipeline's Internet Web Site; provided, Pipeline will allow any Prearranged Shipper to match, in accordance with Section 11.3(a)(2), the Best Bid after the close of the Bid Period; however, if Replacement Shipper submits more than one bid for the same capacity, the lower bid will automatically expire. Replacement Shipper or its affiliate shall not have the opportunity to use its ability to withdraw its bid in order to submit a lower bid.

(d) The Best Bid shall be (1) determined in accordance with the bid evaluation method specified by the Shipper pursuant to Sections 11.2(j) and 11.2(k); or (2) in the event the Releasing Shipper elects not to submit a bid evaluation method, the Best Bid shall be the bid which generates the highest present value. Present value shall be determined based on a 10% discount rate. Pipeline shall reject any bid which does not match the other minimum specifications set forth in the Releasing Shipper's Notice. In the event both a contingent bid and a non-contingent bid generate the same present value, Pipeline shall reject the contingent bid. If multiple bids meet the minimum conditions stated in the Releasing Shipper's Notice, Pipeline shall award the capacity, best bid first, until all offered capacity has been awarded.

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11.6 Obligations of All Parties.

(a) Obligations of Pipeline. Pipeline will be required pursuant to Section 36 of the GT&Cs to provide the Pipeline's Internet Web Site for access by Shippers, Replacement Shippers or Prearranged Shippers participating in this Section 11. If the Replacement or Prearranged Shipper satisfies Pipeline's applicable tariff provisions governing Shipper eligibility and its bid is accepted by Pipeline, Pipeline will finalize with the Replacement or Prearranged Shipper an appropriate Service Agreement in the form of an addendum to the Capacity Release Umbrella Agreement incorporating the terms of the accepted bid. Pipeline will notify the Releasing Shipper with recall rights of the name of new Replacement Shippers who subsequently obtain such capacity after the Service Agreement is executed.

(b) Obligations of the Releasing Shipper.

(1) The Service Agreement of the Releasing Shipper will remain in full force and effect, with a portion of the proceeds attributable to any release and assignment credited to the existing Releasing Shipper's invoice as provided in Section 11.7. The Releasing Shipper shall remain ultimately liable to Pipeline for all reservation charges and reservation surcharges, if any, under the terms of its Service Agreement with Pipeline. However, no new obligation or liability is created as a result of such assignments of the rights and obligations under the Service Agreement.

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(2) If Pipeline waives any credit requirements for a Prearranged Shipper or a Replacement Shipper, Pipeline shall limit the liability of the Releasing Shipper to the extent of such credit waiver. To the extent Pipeline does not require continuing assurances for Prearranged Shippers or Replacement Shippers pursuant to of creditworthiness under Section 2.5 of the GT&Cs any less than it does the Releasing Shipper, the Releasing Shipper continues to be liable.

(3) In the event there is a permanent release of Shipper's capacity, Pipeline will agree to discharge the Releasing Shipper of liability, on a prospective basis, in whole or in part, provided the Replacement Shipper meets the credit requirements under GT&Cs Section 2.

(4) Right to Recall. Any Releasing Shipper retaining the right of recall may exercise such right of recall by providing notification via the Pipeline's Internet Web Site to Pipeline and Replacement Shipper, provided such recall (i) conforms to the recall terms of such Releasing Shipper's Notice; and (ii) does not constitute a waiver or modification of Section 5 of Pipeline's GT&Cs. Any Releasing Shipper may exercise a right of recall, subject to the provisions herein, in the event a Replacement or Prearranged Shipper fails to pay part or all of the amount of any invoice for service provided when such amount is due in accordance with Section 19 of the GT&Cs.

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(5) Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity. For the recall notification provided to Pipeline, Pipeline's tariff should specify whether the quantity should be expressed in terms of a) total released capacity entitlements or b) adjusted total released capacity entitlements based upon the elapsed prorated capacity. The capacity entitlements resulting from the use of either a) or b) should be the same. The recall notification to Pipeline shall specify the quantity in terms of total released capacity entitlements. (

(6) Recalls of released capacity will not be permitted to bump already scheduled volumes for Replacement Shippers unless the Replacement Shippers are provided with at least one opportunity to reschedule any bumped volumes.

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(7) Pipeline shall have no liability to any party in relying on the recall and repeat instructions and conditions specified by the Releasing Shipper, except to the extent that such party establishes that Pipeline incorrectly applied such instructions as a result of the negligent action or willful misconduct of Pipeline.

(8) Any Releasing Shipper will have the right to withdraw its Notice any time prior to the close of the Bid Period associated with such Releasing Shipper's Notice where unanticipated circumstances justify the withdrawal and no bids meeting the minimum conditions of Releasing Shipper's Notice have been made. The Releasing Shipper's Notice will be legally binding on the Releasing Shipper until the written or electronic notice of withdrawal is received by Pipeline.

(c) Obligations of Replacement or Prearranged Shippers.

(1) The Replacement or Prearranged Shipper must satisfy all other Pipeline tariff provisions governing Shipper eligibility and must execute all required agreements and acknowledgments before it may contract with Pipeline for the released capacity. Any bid submitted will legally bind the Replacement or Prearranged Shipper to the terms of the bid if Pipeline chooses such bid as the Best Bid until written or electronic notice of withdrawal is received by Pipeline. Once the Replacement or Prearranged Shipper executes a Service Agreement with Pipeline, the Replacement or Prearranged Shipper becomes an existing Shipper like any other Shipper and is subject to the applicable provisions of Pipeline's FERC Gas Tariff, including but not limited to Pipeline's billing and payment and operational provisions.

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(2) In addition, the Replacement or Prearranged Shipper as an existing Shipper may subsequently release its capacity pursuant to this Section as a secondary release and thereby become a Releasing Shipper. Secondary release shall be subject to the right of recall if the initial Releasing Shipper retained the right of recall.

(3) Pipeline must permit Replacement or Prearranged Shipper to submit a nomination at the earliest nomination opportunity after the acquisition of capacity. If the Pipeline requires the Replacement Shipper to enter into a Service Agreement, the contract must be issued within one hour after the Pipeline has been notified of the release, but the requirement for contracting must not inhibit the ability of the Replacement Shipper to submit a nomination at the earliest available nomination opportunity. In the event Shipper has not executed a Service Agreement prior to making its nomination, Shipper will be deemed to have executed Pipeline's pro forma FT Service Agreement. Pipeline must be informed of a prearranged non-biddable capacity release transaction at least one hour prior to the nomination cycle in order for the Replacement Shipper to nominate at that opportunity.

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11.7 Billing

(a) Pipeline will bill the Shipper releasing capacity the amount it is obligated to pay Pipeline for (1) Reservation Rate, (2) usage charge(s) and (3) surcharges, imbalances and/or other volumetric costs attributable to any capacity retained by such Releasing Shipper and Pipeline shall credit the invoice of the Releasing Shipper an amount equal to such charges attributable to capacity rights released by such Shipper, (hereinafter called "Credit Back"); provided, however, Pipeline shall have the right to reverse such Credit Back and to charge applicable carrying charges to the Releasing Shipper in the event Pipeline is not paid such charges for the released capacity.

Pipeline shall notify a Releasing Shipper in the event a Replacement or Prearranged Shipper fails to pay part or all of the amount of any invoice for service provided when such amount is due in accordance with Section 19 of the GT&Cs. The Releasing Shipper shall be liable to Pipeline for all charges incurred by such Replacement or Prearranged Shipper under the new Service Agreement addendum, but not for any charges incurred for any additional transportation or other services not included within the released capacity.

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(b) Notwithstanding the foregoing, Pipeline shall be entitled to bill an agreed upon amount when Pipeline, at the request of Releasing Shipper and upon reaching an agreement with Releasing Shipper therefore, takes other action to market such Shipper's released capacity beyond posting the information on the Pipeline's Internet Web Site and locates the Replacement Shipper. Pipeline will not be compensated if it does not locate the Replacement Shipper, such as where the Releasing Shipper has a prearranged deal or where a Replacement Shipper accepts a posted Releasing Shipper's Notice without Pipeline actively marketing that released capacity.

11.8 Terms of Release.

(a) Capacity released and available for resale by Pipeline under this Section 11 shall consist of Releasing Shipper's MDRQ specified in Releasing Shipper's Notice at the Receipt Points specified therein, and Shipper's MDDQ specified in such notice for the Delivery Points specified therein, and the MDTQ associated therewith. The Replacement Shipper acquiring capacity released under this Section 11 may use other Receipt Points and Delivery Points only as allowed under the applicable Rate Schedule and Service Agreement. Replacement and Releasing Shippers will each be permitted to reserve Primary Receipt and Delivery Points(s) at least up to contract demand. Unless the Release is permanent and with no rights of recall, the new Service Agreement may not be amended to change Receipt Points or Delivery Points without the written consent of Releasing Shipper and Pipeline.

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(b) Secondary Release resold under this Section 11, including capacity resold under the bidding exception of Section 11, shall be subject to the maximum rates, including any applicable surcharges, set forth in Pipeline's rate sheets for the applicable Rate Schedule. If Releasing Shipper specifies that the capacity may be released on a volumetric rate basis, the volumetric rate for the release shall apply only to the reservation portion of the rate and shall be subject to the maximum volumetric rates set forth in Pipeline's rate sheets for the applicable Rate Schedule. Capacity released subject to recall is firm service subject to the same maximum rates as capacity released not subject to recall.

(c) Capacity released hereunder shall be acquired by the Replacement Shipper under the same Rate Schedule as that applying to the existing Service Agreement. Prearranged Shipper may nominate the released capacity at the earliest available nomination period after Pipeline is informed of the release. Replacement Shipper may nominate the released capacity at the earliest available nomination period after Pipeline posts the awarded capacity.

(d) A Releasing Shipper may not rollover, extend or in any way continue a release of 31 days or less to the same Replacement Shipper unless the capacity is posted for bidding pursuant to the requirements in Section 11.3. or until 28 days after the first release period has ended.

12. RESOLUTION OF IMBALANCES AND CASHOUT PROVISION

12.1(a) Definition of Transportation Imbalance.

"Transportation Imbalance" shall mean the difference between a Shipper's allocated receipts (adjusted for fuel) and allocated deliveries under any firm or interruptible transportation agreement. All imbalances will be calculated on a daily basis.

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(b) Definition of a Positive Imbalance. A Positive Imbalance shall mean excess receipts under a transportation agreement.

(c) Definition of a Negative Imbalance. A Negative Imbalance shall mean excess deliveries under a transportation agreement.

12.2 Shipper shall cash out imbalances created as a result of post-Month changes to prior Month receipt or delivery allocation, measurement or other adjustments (Prior Period Adjustments) made in that current Month at the average of the weekly References Spot Prices applicable to the Month of gas flow pursuant to GT&Cs Section 12.7.

12.3 Netting. For each Month, all cumulative Transportation Imbalances will be netted among each firm and/or interruptible transportation agreement under which the Shipper, the Imbalance Agent and the billable party coincide.

12.4 Trading. Trading of the previous Month's netted imbalances will be allowed between Imbalance Agents (or the Shipper if no Imbalance Agent exists) from the 1st calendar day until the end of the 17th Business Day following the end of the Month. Trading will be allowed when the resulting trade will reduce the imbalances for each Shipper or their Imbalance Agent. There will be no fee for trading.

12.5 Final Resolution of Transportation Imbalances. If Shipper has an imbalance remaining after the close of the trading period, such imbalance will be cashed out in accordance with the cash out provisions set forth in this Section 12.

12.6 Shipper or their Agents may nominate transactions (in accordance with GT&Cs Section 6) during the Month to correct imbalances. Third parties may offer imbalance management services to Shippers on Pipeline's system. Pipeline's ability to receive or deliver imbalance quantities shall be dependent upon Pipeline's physical operations, and Pipeline is under no obligation to allow receipt or delivery of such quantities for resolution of imbalances if it determines, in its sole opinion, such activity would jeopardize pipeline operations.

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12.7 Resolution of Monthly Imbalances and Cashout.

(a) All imbalances accrued by Shipper under its transportation agreements and Pooling Service Agreement shall be resolved on a monthly basis pursuant to the provisions herein. After each Month of transportation on Pipeline's system, Pipeline will calculate the imbalance which exists between the quantities of gas allocated each day to Shipper for its account at the Receipt Points during that Month and the quantities of gas allocated each day to Shipper for its account at the Delivery Points during that Month. All such imbalances (over-deliveries and under-deliveries to Pipeline) accrued by Shipper under each of its transportation or supply pool balancing agreements (or any such agreements under which Shipper has been appointed imbalance aggregation agent with authority to make and receive payments under this section) will be combined to derive a "Net Monthly Imbalance" (in Dt) for purposes of the following calculations.

Shipper's Net Monthly Imbalance then will be divided by the lesser of: (i) the actual Dts of gas received or (ii) the actual Dts of gas delivered under all such agreements during the Month to produce Shipper's Net Imbalance Percentage for the Month. If Shipper has elected to be allocated the variances in deliveries at specified Delivery Points under a Swing PDA, then such Shipper's Net Imbalance Percentage shall be determined by dividing its Net Monthly Imbalance by the sum of: (i) the lesser of the actual Dts received or delivered under all of said Shipper's agreements during the Month, and (ii) the actual Dts allocated to third-party Shippers' transportation agreements at the Delivery Points where Shipper has elected to be allocated the variance in deliveries during the Month. In the event the Net Monthly I

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such agreement(s) during the Month, then Pipeline shall also calculate an "Estimated Imbalance Percentage" for that Month as follows for purposes of determining the maximum percentage at which Shipper's Net Monthly Imbalance shall be resolved below. The Estimated Imbalance Percentage shall be equal to the sum of the estimated imbalances (over-deliveries and under-deliveries) in effect for each of Shipper's above-referenced Service Agreements at the end of the Month, as posted on the Pipeline's Internet Web Site, ("Estimated Monthly Imbalance") divided by the lesser of: (i) the quantity of gas deemed to be received or (ii) the quantity of gas deemed to be delivered under all such agreements during the Month. If Shipper has elected to be allocated the variances in deliveries at specified Delivery Points under the Swing PDA, then such Shipper's Estimated Monthly Imbalance Percentage shall be determined by dividing its Estimated Monthly Imbalance by the sum of: (i) the lesser of the quantity of gas deemed to be received or delivered under all of said Shipper's agreements during the Month, and (ii) the quantity of gas deemed to be delivered under third-party Shippers' transportation agreements at the Delivery Points where Shipper has elected to be allocated the variances in deliveries during the Month. It is provided, however, that the denominator used in the calculation of Shipper's Net Imbalance Percentage and its Estimated Monthly Imbalance Percentage shall exclude, if applicable, any quantities allocated from Shipper's Pooling Service Agreement to the same Shipper's transportation agreements.

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(b) (1) Subject to the provisions of s GT&Cs Sections 12.3 and 12.4, if Shipper has accrued a Net Monthly Imbalance such that the total quantities of gas received by Pipeline for Shipper's account during the Month are less than the total quantities of gas delivered by Pipeline for Shipper's account during the Month ("Negative Imbalance") and such Net Monthly Imbalance is greater than 1,000 Dt, Shipper shall pay Pipeline for Shipper's Net Monthly Imbalance at the following prices specified for each stated percentage that Shipper's deliveries exceed its receipts; provided, however, that the cash out price applicable to Shipper's Net Monthly Imbalance shall be the price resulting from the lower of (i) Shipper's Estimated Imbalance Percentage for the Month or (ii) Shipper's actual imbalance percentage for the Month as defined in Section 12.7(a).

Percentage of Excess Deliveries	Price
0 to 2%	100% of Index Price
2 to 5%	100% of Applicable Price
5 to 10%	115% of Applicable Price
10 to 15%	125% of Applicable Price
15 to 20%	140% of Applicable Price
20%	150% of Applicable Price

If the Negative Imbalance (N) exceeds the Positive Imbalance (P), then the Applicable Price shall be the High Price as defined in Section 12.7(d) plus the transportation charges under Rate Schedule IT. If P>N then the Applicable Price shall be the Index Price as defined in Section 12.7(d).

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For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to quantities within a tier. For example, if there is a 6% imbalance, quantities that comprise the first 2% of the imbalance are priced at 100% of the Index Price, quantities comprising 3% of the imbalance are priced at 100% of the Applicable Price, and quantities comprising the remaining 1% of the imbalance are priced at 115% of the Applicable Price.

(b) (2) Subject to the provisions of GT&Cs Sections 12.3 and 12.4, if Shipper's Net Monthly Imbalance is less than or equal to 1,000 Dt, Shipper shall pay Pipeline for Shipper Net Monthly Imbalance at the Index Price.

(c) (1) Subject to the provisions of GT&Cs Sections 12.3 and 12.4, if Shipper has accrued a Net Monthly Imbalance such that the total quantities of gas received by Pipeline for Shipper's account during the Month are greater than the total quantities of gas delivered by Pipeline for Shipper's account during the Month ("Positive Imbalance") and such Net Monthly Imbalance is greater than 1,000 Dt, Pipeline shall pay Shipper for its Net Monthly Imbalance at the following prices specified for each stated percentage that

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Shipper's receipts exceed its deliveries; provided, however, that the cash out price applicable to Shipper's Net Monthly Imbalance shall be the price resulting from the lower of (i) Shipper's Estimated Imbalance Percentage for the Month or (ii) Shipper's actual imbalance percentage for the Month as defined in Section 12.7(a).

Percentage of Excess Receipts	Prices
0 to 2%	100% of Index Price
2 to 5%	100% of Applicable Price
5 to 10%	85% of Applicable Price
10 to 15%	75% of Applicable Price
15 to 20%	60% of Applicable Price
20%	50% of Applicable Price

If the Negative Imbalance (N) exceeds the Positive Imbalance (P), then the Applicable Price shall be the Index Price. If $P > N$, then the Applicable Price shall be the Low Price as defined in Section 12.7(d).

For purposes of determining the tier at which an imbalance will be cashed out, the price will apply only to quantities within a tier. For example, if there is a 6% imbalance, quantities that comprise the first 2% of the imbalance are priced at 100% of the Index Price, quantities comprising 3% of the imbalance are priced at 100% of the Applicable Price, and volumes comprising the remaining 1% of the imbalance are priced at 85% of the Applicable Price.

(c) (2) Subject to the provisions of GT&Cs Sections 12.3 and 12.4, if Shipper's Net Monthly Imbalance is less than or equal to 1,000 Dt, Shipper shall pay Pipeline for Shipper's Net Monthly Imbalance at the Index Price.

(c) (3) In the event Shipper owes Pipeline any payments under subsection (b) above from a previous Month which are past due, Pipeline shall have the right hereunder to offset payments it owes to Shipper under this subsection (c) by such past due amounts (inclusive of interest).

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(d) Positive Imbalance ("P") is equal to the absolute value ("abv") of the sum of all Shippers' Positive Imbalance accrued during the Month.

Negative Imbalance ("N") is equal to the absolute value ("abv") of the sum of all Shippers' Negative Imbalance accrued during the Month.

The "Low Price" is equal to the lowest of the prices used by Pipeline, as set forth below, for calculating the Index Price for the Month in which Shipper's Net Monthly Imbalance was incurred.

The "High Price" is equal to the highest of the prices used by Pipeline, as set forth below, for calculating the Index Price for the Month in which Shipper's Net Monthly Imbalance was incurred.

The "Index Price" is equal to the sum of the prices published by the following publications for delivery to Pipeline's system during the Month in which Shipper's Net Monthly Imbalance was incurred divided by the number of such prices utilized by Pipeline as determined below:

(i) Natural Gas Intelligence Gas Price Index, "Average" "South Louisiana, " "Southern Natural",

(ii) Inside F.E.R.C.'s Gas Market Report, "Index". "Southern Natural Gas Co.," "Louisiana,"

With respect to Inside F.E.R.C.'s Gas Market Report, Pipeline will use the posting published for the first of a Month only. With respect to Natural Gas Intelligence Gas Price Index, Pipeline will use the weekly postings published during the Month within the following parameters. The first weekly posting to be used will be the first issue of Natural Gas Intelligence Gas Price Index published during the Month. The last weekly posting to be used will be the last issue of said publication published during the Month.

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In the event either of these publications or specific postings contained therein is discontinued, Pipeline will revise this Section 12.7(d) to substitute another price index generally accepted in the natural gas industry. Until Pipeline receives approval from the Commission to use such substitute index, Pipeline will continue to calculate the Index Price each Month based on the remaining index.

Pipeline shall not calculate Shipper's Net Imbalance Percentage under Section 12.7(a) above for a Month until all trades for such Month are completed pursuant to Section 12.4.

12.8 System Balancing Cost Reconciliation Mechanism.

(a) The purpose of this Section 12.8 is to establish a mechanism to reconcile through surcharges or credits, as appropriate, differences between the amounts Pipeline receives for gas arising out of both the purchase and sale of gas in order to resolve Shipper imbalances as provided for pursuant to the this Section 12 and the operational balancing occurred on an upstream pipeline.

(b) Pipeline shall maintain a System Balancing Cost Reconciliation Mechanism (referred to in this Section 12 as the "Deferred Account") in the manner described in this Section 12.8. Pipeline shall calculate the difference between (a) the cost per Dt (i) of any sale or purchase of gas to resolve imbalances and any other form of balancing agreement between Pipeline and a pipeline operator entered into to facilitate the allocation of Shippers' gas at pipeline interconnections, respectively, and (ii) any assignment to or from Pipeline of gas to resolve Shipper imbalances. If the difference is positive, the amount shall be credited to the Deferred Account, and if negative, shall be debited (as a positive number) to the Deferred Accounts.

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(c) At the end of the twelfth full calendar Month after initial operations and at the end of the same Month of each succeeding calendar year, Pipeline shall determine whether the balance in the Deferred Account, whether debit or credit, is in excess of \$50,000.00. If so, Pipeline shall refund or surcharge, as appropriate and as hereinafter provided, the portion of the Deferred Account balance representing fixed and realized gains or losses from the purchase and sale of Fuel Retainage Quantity. Such amount shall be divided by the total volume in Dt that Pipeline projects it will transport during the next succeeding twelve calendar Months under Rate Schedules FT and IT. With respect to transportation service provided by Pipeline during the twelve calendar Months referred to in the preceding sentence, the amount so computed shall be applied as a reduction (if the balance in the Deferred Account was a credit) or as a surcharge (if the balance in the Deferred Account was a debit) to the Transportation Charge otherwise applicable under Rate Schedules FT and IT. The total amount of any such reductions applied during any Month shall be debited to the Deferred Account and the total amount of any such surcharges collected during any Month shall be credited to the Deferred Account. The portion of the Deferred Account representing contingent and unrealized gains and losses from the purchase and sale of gas shall be carried forward in the Deferred Account.

(d) Nothing in this Section 12.8 shall limit Pipeline's rights to take action as may be required to adjust receipts and deliveries under any Service Agreement to reflect actual experience or to alleviate conditions which threaten the integrity of Pipeline's system, including maintenance of service to higher priority Shippers and/or services.

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12.9 The monthly cash out provisions set forth herein apply to the extent that an imbalance is not caused by events of force majeure, as defined in Section 21 of the GT&Cs.

12.10 Daily Imbalance Penalty and Calculations. Pipeline shall post on its Internet Web Site, on a timely basis, the daily imbalance status of each Shipper, as well as the imbalance of the system as a whole. If a daily imbalance threatens the operational integrity of Pipeline's system thus warranting the issuance of an OFO, Pipeline shall post a Critical Mode notice. During an OFO if a Shipper's daily imbalance is greater than a 2% variance between the actual receipts and actual deliveries on Pipeline's system, Shipper shall pay \$20.00 for every Dth above the 2% variance. Shipper shall not be obligated to also pay the \$20.00 penalty set forth in GT&Cs Section 9.3, or the unauthorized daily overrun penalty under GT&Cs Section 7.7, or the unauthorized daily underdelivery penalty under GT&Cs Section 7.8, or the scheduling penalty under GT&Cs Section 7.9, if the Section 12.10 penalties are imposed for the same infraction.

13. POOLING SERVICE

13.1 Pipeline will provide Pooling Service on a non-discriminatory basis to any Shipper who complies with the requirements described herein. Shippers may request Pooling Service by completing a Transportation Request Form and submitting the credit information described in Section 2.5 of the GT&Cs. Upon receipt of all of the required information and determination of creditworthiness, Pipeline shall prepare and tender to the requesting party a Pooling Service Agreement. The Pooling Service Agreement must be executed before Shipper can nominate gas into or out of the pool. The Pooling Service Agreement shall terminate automatically if no nominations are made within thirty (30) days after Shipper executes the Agreement. Pooling Service must commence within ninety (90) days of the date of the original Service Request.

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13.2 Pipeline will designate a paper pooling point ("Pool") on Pipeline's system for every Pooling Service Agreement executed pursuant to this Section. The Pool is not a physical point on Pipeline's system, but is to be used solely for nomination and scheduling purposes in order to allow Shipper to aggregate gas supplies from multiple Receipt Points to a single virtual point (Aggregation Nomination) and to disaggregate gas supply from a pool to multiple Delivery Points (Disaggregation Nomination) on Pipeline's system. A Shipper will nominate gas volumes from one or more Receipt Points to the Pool utilizing its Pooling Service Agreement in order to aggregate supplies. A Shipper may utilize any number of FT, IT, or Temporary Capacity Release Agreements to transport gas out of the Pool. A Shipper must nominate all gas volumes in a Pool to the Delivery Point(s) on the same Gas Day.

13.3 Nominations to and from the Pool will be subject to the same nomination and confirmation procedures as all other receipts and deliveries on Pipeline's System, as more particularly described in GT&Cs Section 5.4.

13.4 For purposes of allocating volumes to the Pooling Service Agreement, all Aggregation Nominations will be considered received by the Pool. Total daily quantities of gas delivered to the Pool under the Aggregation Nomination must equal the total daily quantity of gas nominated on the Disaggregation Nomination at the Pool for each Pooling Service Agreement.

13.5 Pipeline shall have the right to balance any discrepancy between the sum of the Aggregation Nominations for a Gas Day and the sum of the Disaggregation Nominations for that Gas Day, and to apply overrun charges, as set forth in GT&Cs Section 7.

13.6 Pipeline will balance any discrepancy between the sum of the Aggregation Nominations for a Gas Day and the sum of the Disaggregation Nominations for that Gas Day prior to conclusion of the final nomination cycle by adjusting the scheduled deliveries of the Aggregation Nomination and Disaggregation Nominations as appropriate. Pipeline shall use Shipper's schedule ranks on the Aggregation Nominations to make said adjustments.

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13.7 The transportation charges and fuel charges under the applicable FT and IT Agreements will be used to transport gas under related Pooling Service Agreement from the Pool. Pipeline reserves the right to file to implement charges to recover any and all costs of providing the pooling service described hereunder.

13.8 Pipeline shall accommodate Title Transfer Tracking ("TTT") at all pooling points where TTT service is requested. Title Transfer Tracking is the process of accounting for the progression of title changes from party to party that does not affect a physical transfer of the gas. TTT service shall be made available to Shipper subject to the nomination and scheduling provisions of GT&Cs Sections 5 and 6.

14. QUALITY OF GAS

The provisions set forth in this Section 14 shall apply to all gas received or delivered by Pipeline.

14.1 If Shipper injects, transports or delivers non-conforming gas to Pipeline, Shipper will be responsible for and shall indemnify, and hold harmless Pipeline with respect to any claims (including attorney's fees), losses, and damages (including punitive damages) and injuries (property and environmental damage and personal injury, including death) to property of Pipeline or third persons as a result of the non-conforming gas. Pipeline may clean up and/or repair the damaged facility at Shipper's expense. Shipper must reimburse Pipeline for any costs, liabilities and expenses incurred by Pipeline as a result of Shipper's non-compliance except for claims, losses, damages and injuries resulting from Pipeline's gross negligence, undue discrimination, or willful misconduct in handling. Pipeline may notify the Shipper of receipt of non-conforming gas and thereafter suspend receipt of any such gas. Shipper receiving such notice must make diligent efforts to correct the failure by treatment or dehydration consistent with prudent operation in order to deliver conforming gas.

14.2 Natural or Artificial Gas. The gas received or delivered by Pipeline hereunder shall be a combustible gas consisting wholly of, or a mixture of:

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(a) Natural gas of the quality and composition produced in its natural state except that the Pipeline may extract or permit the extraction of any of the constituents thereof except methane, as set forth in detail in Section 14.4.

(b) Gas generated by vaporization of Liquefied Natural Gas ("LNG").

(c) Manufactured, reformed, or mixed gas consisting essentially of hydrocarbons of the quality and character produced by nature in the petroleum, oil and gas fields with physical properties such that when the artificial pipeline gas is commingled with natural gas, the resulting mixture is indistinguishable from natural gas complying with specifications under this Tariff.

14.3 Total Heating Value.

(a) No gas tendered hereunder shall have a Total Heating Value at the Receipt Point below 980 Btu per cubic foot (BTU/CF) and no more than 1075 BTU/CF.

(b) The total heating value shall be determined by gas chromatographic analysis using most recent AGA standards or any revision thereof, or by other methods mutually agreed upon by Shipper and Pipeline.

(c) Merchantability. The gas shall be commercially free, under continuous gas flow conditions, from objectionable odors (except those required by applicable regulations), solid matter, dust, gums, and gum forming constituents which might interfere with its merchantability or cause injury to or interference with proper operations of the pipelines, compressor stations, meters, regulators or other appliances through which it flows, or their operation.

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14.4 Composition.

(a) Oxygen. The gas shall not have an uncombined oxygen content in excess of two tenths (0.2) of one percent (1%) by volume, and both parties shall make every reasonable effort to keep the gas free from oxygen.

(b) Non-Hydrocarbon Gases. The gas shall not contain more than four percent (4%) by volume, of a combined total of non-hydrocarbon gases (including carbon dioxide and nitrogen); it being understood, however, that the total carbon dioxide content shall not exceed three percent (3%) by volume.

(c) Liquids. The gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the gas is received and delivered.

(d) Hydrogen Sulfide. The gas shall not contain more than one fourth (1/4) grains of hydrogen sulfide per one hundred (100) cubic feet.

(e) Total Sulphur. The gas shall not contain more than twenty (20) grains of total sulphur, excluding any mercaptan sulphur, per one hundred (100) cubic feet.

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(f) Temperature. The gas shall not have a temperature of more than one hundred twenty degrees (120°) Fahrenheit or less than forty (40°) Fahrenheit.

(g) Water Vapor. For gas received into Pipeline's system, such gas shall not contain in excess of seven (7) pounds of water vapor per million cubic feet.

(h) Liquefiable Hydrocarbons. The gas shall not contain liquid hydrocarbons or hydrocarbons liquefiable at temperatures warmer than 15°F and normal pipeline operating pressures of 100 - 1440 psig.

(i) Microbiological Agents. The gas shall not contain, either in the gas or in any liquids with the gas, any microbiological organism, active bacteria or bacterial agent capable of contributing to or causing corrosion and/or operational and/or other problems. Microbiological organisms, bacteria or bacterial agents include, but are not limited to, sulfate reducing bacteria (SRE) and acid producing bacteria (APB). Tests for bacteria or bacterial agents shall be conducted on samples taken from the meter run or the appurtenant piping using American Petroleum Institute (API) test method API - RP38 or any other test method acceptable to Pipeline and Shipper which is currently available or may become available at any time.

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14.5 If the gas tendered for Shipper's account to Pipeline shall fail at any time to conform to any of the specifications set forth in this Section 14, the tariff of the upstream pipeline, or in Pipeline's reasonable judgment, may cause harm to its facilities or diminish the quality of gas in the system, then Pipeline shall have the right, after either written, oral or telephonic notice to Shipper, to refuse to accept all or any portion of such quality deficient gas. In the event Pipeline refuses to accept gas tendered by Shipper because such gas does not conform to the specifications set forth herein, Shipper shall not be relieved of its obligation to pay any Reservation Rate provided for in Shipper's Service Agreement. If the gas tendered by Pipeline for Shipper's account shall fail at any time to conform to any of the specifications set forth in this Section 14 or the tariff of the upstream pipeline then Shipper shall notify Pipeline of such deficiency and may, at its option, refuse to accept delivery pending correction by Pipeline.

14.6 Notwithstanding the requirements set forth in this Section 14 Pipeline may allow Shipper to tender for service or cause to be tendered, pursuant to an executed Service Agreement under Pipeline's rate schedules, gas which does not when injected into Pipeline's system meet the quality specifications set forth in this Section 14; provided that Pipeline's acceptance of such gas shall not adversely impact Pipeline's system facilities or operations. Pipeline shall implement this Section 14.6 on a non-discriminatory basis.

14.7 Pipeline shall have the unqualified right to commingle gas transported hereunder with gas from other sources, and to treat and handle all such gas as its own. It is recognized that gas delivered may not be the same molecules as those received at the Receipt Point. The quantities of gas delivered hereunder at the Delivery Points shall be thermally equivalent to the quantities of gas received at the Receipt Points for transportation less the Fuel Retainage Quantity.

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14.8 Pipeline shall odorize gas received from Southern Natural Gas Company by use of a malodorant agent of such character as to indicate by a distinctive odor the presence of gas. Whenever odorized gas is delivered, the quality and specifications, as set forth in this Section 14 of such gas shall be determined prior to the addition of malodorant or with proper allowance for changes or additions due to such malodorant. Such odorization of the gas by the Pipeline shall be for the purpose of detection of the gas only during the time, prior to delivery to the Shipper, when in possession of the Pipeline. Pipeline and Shipper may agree from time to time, to allow Shipper to deliver odorized gas to Pipeline. Pipeline shall not be obligated to receive such odorized gas from Shipper when such receipt may, in Pipeline's sole discretion, be detrimental to Pipeline's system operations.

15. PRESSURE OF GAS

15.1 Receipt Pressure Obligations. Shipper shall deliver gas or cause gas to be delivered to Pipeline for Shipper's account at the Receipt Points at the pressure conditions specified in the effective Service Agreement; provided, that Pipeline shall not be obligated to reduce the pressures in its facilities at such Receipt Points below the pressures which it determines, in its sole judgment, are required from time to time for the operation of its facilities.

15.2 Delivery Pressure Obligations. Pipeline shall deliver gas hereunder for Shipper's account at the Delivery Points at the pressure conditions specified in the effective Service Agreement. Pipeline shall not be obligated to deliver gas at any time at a pressure in excess of the Maximum Allowable Operating Pressure ("MAOP") for Pipeline's facilities or downstream pipe facility's MAOP at such Delivery Points. MAOP shall be set forth in Shipper's Service Agreement on Exhibit B. In addition, Pipeline and Shipper may specify in the executed Service Agreement a minimum delivery pressure obligation at any Delivery Point, and Pipeline shall not be obligated to reduce the pressures in its facilities at such Delivery Points below such minimum delivery pressure obligation.

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15.3 In no event shall Pipeline be responsible for over-pressure protection on Shipper(s) facilities.

16. MEASUREMENT & MEASUREMENT EQUIPMENT

16.1 Determination of Quantity. The quantity of gas received and delivered by Pipeline for Shipper's account hereunder shall be measured according to Boyle's and Charles' Laws for the measurement of gas under varying pressures and temperatures with deviations therefrom provided in Section 16.1(i) below and shall be determined as follows:

(a) The unit of measurement for the purpose of service under any of Pipeline's rate schedules shall be one (1) Dt. The number of Dts delivered shall be determined by multiplying the number of cubic feet of gas received or delivered, measured on the measurement basis hereinafter specified, by the total heating value of such gas, in DTs per Cubic Foot, and by dividing the product by 1 million (1,000,000).

(b) The unit of quantity for the purpose of measurement shall be 1 Cubic Foot of gas at a temperature of 60° Fahrenheit, at a pressure of thirty-three hundredths pounds per square inch (0.03 PSI) gauge and an atmospheric pressure of 14.7 PSI, resulting in an absolute pressure of 14.73 pounds per square inch.

(c) The unit of weight for the purpose of measurement shall be one (1) pound mass of gas.

(d) The average absolute atmospheric pressure shall be assumed to be 14.7 pounds per square inch.

(e) The temperature of the gas passing through the meters shall be determined by the use of electronic transducers, recording thermometer or other temperature measuring devices. The instantaneous measurement from the electronic measurement equipment or the arithmetic average of the temperature recorded each Day shall be used in computing gas quantities.

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(f) The specific gravity of the gas flowing through the meters shall be determined by gas chromatographic analysis, recording gravitometer, or continuous or spot sampling methods, unless otherwise mutually agreed upon by Shipper and Pipeline. The arithmetic average of the specific gravity recorded during each 24-hour Gas Day shall be used in computing gas quantities or other periodic measurements within a shorter time frame or instantaneous specific gravity measurements may be applied to metering instruments to provide the quantity computation.

(g) When orifice meters are used, the computation of quantities of gas delivered shall be in accordance with the recommendations as published by the American Gas Association's Report No. 3, "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids" (ANSI/API 2530), and any subsequent modifications or amendments thereof as may be mutually agreed upon by Shipper and Pipeline.

(h) The Total Heating Value shall be measured, unless otherwise agreed by the parties concerned, by methods in accordance with acceptable industry practice, such as, but not limited to, recording calorimeter(s) or gas chromatograph(s) located at appropriate points. The arithmetic average of the heating value recorded each 24 hour Gas Day and as adjusted to conditions as specified in Section 1 of the GT&Cs, or other periodic measurements within a shorter time frame as Pipeline shall select, shall be used for computations.

(i) The deviation of the gas delivered hereunder from Boyle's and Charles' Laws shall be determined in accordance with, but not limited to, the published recommendations of the American Gas Association's Report No. 3, Revised 1994 and the American National Standards Institute as Pipeline deems to be in accordance with accepted industry practice.

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16.2 Measurement Operations and Equipment. Measurement Operations shall include, but not be limited to, the operation, calibration and testing of the Remote Terminal Unit (RTU), transducers, chart recorders, meter runs, gas quality monitoring devices, control valves and responsibility for quantity calculations for the measurement facility. Pipeline may allow Shipper or third parties the right to perform Measurement Operations, provided that such Shipper or third party furnishes to Pipeline all data required for flow computation and can meet Pipeline's measurement and operating standards; and provided, further, such Shipper or third party which performs such Measurement Operations shall be responsible for any and all associated costs of such Measurement Operations unless otherwise agreed by Pipeline and Shipper or third party. Measurement equipment shall consist of the necessary metering devices, designed and installed in accordance with the current published recommendations of the American Gas Association or as mutually agreed upon by Shipper and Pipeline. Measurement equipment shall be installed, operated and maintained at or on each interconnection of Pipeline's facility with facilities of third parties; provided, however, Pipeline shall have the right to require and may install or cause to be installed electronic gas measurement and control equipment at all points.

(a) Where orifice measurement equipment is to be used, it shall utilize "Flange Tap Connections" and the static pressure shall be measured at the downstream flange tap connection.

(b) An electronic temperature transducer, a recording thermometer or other mutually acceptable device shall be installed at the measuring station to measure the flowing gas temperature.

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16.3 Access to Equipment and Records. Each party shall have the right to be present at the time of any installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other's equipment used in measuring receipts and deliveries hereunder. The records from such measurement equipment shall remain the property of their owner, but upon request each will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within thirty (30) Days after receipt thereof.

16.4 Pressure Protection. Pressure regulation, pressure override and pressure relief valve or other pressure limiting devices installed and operated by Pipeline at the measuring station or at or near each interconnection of Pipeline's facilities with facilities of third parties shall only be for the purpose of operation and protection of Pipeline's measurement equipment and Pipeline's facilities.

16.5 Test of Meters. The accuracy of the Pipeline's and Shipper's measurement equipment shall be verified by Pipeline and Shipper at reasonable intervals and, if requested, in the presence of representatives of the Pipeline and Shipper.

(a) Pipeline and Shipper shall not be required to verify the accuracy of orifice meter equipment more frequently than once in any thirty (30) Gas Day period.

(b) Pipeline and Shipper shall not be required to verify the accuracy of measurement equipment, other than orifice meter equipment, more frequently than once in any ninety (90) Gas Day period.

(c) Pipeline and Shipper shall not be required to verify the accuracy of the gas chromatograph or other heating value measurement device more frequently than once in any thirty (30) Gas Day period.

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(d) Any errors or discrepancies found when testing shall be corrected immediately whenever possible or as soon thereafter as procurement of repair parts, materials and tools can be arranged.

16.6 Measurement Equipment Inaccuracy and Failure. The quantity of gas received and delivered by Pipeline and delivered to Shipper or for Shipper's account hereunder during periods when the measurement equipment is out of service or registering inaccurately shall be estimated as follows:

(a) If, upon test, any measurement equipment, the readings of which are used in the registration, integration or computation of quantities of gas hereunder, is found to be in error to the extent that it introduces not more than one percent (1%) measurement error in the individual measurement equipment affected, previous records of such equipment shall be considered accurate;

(b) If, upon test, any such above measurement equipment is found to be in error, to the extent that it causes the registered or computed quantities of the instrument(s) so affected to be in error, by an amount exceeding one percent (1%) at a recording corresponding to the average hourly rate of flowthrough the instrument(s) in the period since the last preceding test, then any registrations, integration or computed quantities of such instrument(s) affected shall be corrected to zero (0) error for any part of the period since the last test in which such error is known to have existed or which may be agreed upon by representatives of the parties. In case the period of such error is not known definitely or agreed upon, such correction shall be for a period of one-half (1/2) of the elapsed time since the date of the last test, but not exceeding a correction period of sixteen (16) Gas Days where orifice measurement equipment is used in the computation of quantity and not exceeding forty-five (45) Gas Days where other measurement equipment is used; and

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(c) If no tests have been performed to determine the degree of inaccuracy, or measurement equipment is out of service, the quantity of gas shall be estimated:

(1) By using the registration of any existing and agreed upon check equipment considered by parties concerned to be registering accurately, or in the absence of such facilities,

(2) By correcting the error, if the quantity or percentage of error is ascertainable by calibration, test, or mathematical calculation, or if neither of the two foregoing procedures are applicable,

(3) By relating the quantity of receipt or delivery to receipts or deliveries during periods under similar conditions when the measurement equipment was deemed to have been registering accurately.

16.7 Preservation of Records. Each party shall preserve for a period of at least two (2) years all test data, charts and other similar records or such longer period as may be required by any duly constituted authority having jurisdiction.

16.8 Flow Control. The Pipeline shall control flow of gas into and out of its facilities at all measurement facilities, but may allow the following if all of Pipeline's operating standards and requirements are met: (a) Pipeline may allow third parties to control flow into the Pipeline's facilities, but reserves the right to override the third party's flow control equipment, and (b) Pipeline may allow third parties to control flow out of the Pipeline's facilities, but reserves the right to override the third party's flow control equipment.

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16.9 Maintenance.

(a) Major Maintenance shall include, but not be limited to, the repair or replacement of major components and equipment required to support the Measurement Operations.

(a) Routine Maintenance shall be the normal day to day maintenance required to support the Measurement Operations or necessary to upkeep the measurement facility and shall include, but not be limited to, replacement of minor replacement parts for instrumentation, measurement equipment (including the RTU) and minor valves and piping.

Pipeline, which performs the Measurement Operations for the measurement facility, shall also be responsible for such Major Maintenance and Routine Maintenance and any and all associated costs of such Major Maintenance and Routine Maintenance.

17. POSSESSION OF GAS

17.1 Control. Pipeline shall be deemed to be in control and possession of the gas hereunder upon receipt of such gas until it shall have been delivered for Shipper's account, and Shipper shall be deemed to be in control and possession of such gas prior to such receipt by Pipeline and after such delivery for Shipper's account.

17.2 Responsibility. Pipeline shall have no responsibility with respect to any gas deliverable hereunder until it is delivered into the facilities of Pipeline, or on account of anything which may be done, happen or arise with respect to such gas before such delivery and Pipeline shall have no responsibility with respect to such gas after its delivery to Shipper or for Shipper's account or on account of anything which may be done, happen or arise with respect to such gas after such delivery.

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18. WARRANTY OF TITLE TO GAS

Shipper warrants that Shipper will at the time of receipt of the natural gas by Pipeline have good and merchantable title to all of the gas free and clear of all liens, encumbrances and claims whatsoever or good right to tender gas for transportation (and all necessary authorizations related thereto). Title to the gas received by Pipeline for Shipper's account hereunder shall remain with Shipper during its transportation or storage by Pipeline. Shipper agrees to indemnify and hold Pipeline harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to the gas prior to its delivery to Pipeline for Shipper's account and after its delivery by Pipeline for Shipper's account. Pipeline agrees to indemnify and hold Shipper harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to the gas during and related to its transportation or storage by Pipeline for Shipper's account as a result of pipeline's sole negligence or willful misconduct.

19. BILLING AND PAYMENTS

19.1 Rendering of bills for service under Pipeline's Transportation Rate Schedules. On the first day of the Month Pipeline shall render its bill for the Reservation Rate for service rendered during the preceding Month (Reservation Charge Invoice).

The charges as so billed for service rendered during the preceding Month shall be adjusted as set forth in GT&Cs Sections 10.9 (a) and (b) for failure to deliver due to force majeure or for other causes.

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On or before the 10th day of each Month Pipeline shall render its bill for the remainder of the charges payable for gas service rendered during the preceding calendar Month (Usage Charge Invoice). Such bill shall include the Usage Charges, any adjustment in the charges billed on the 1st day of the Month, all surcharges, any cash out payments owed by Shipper for imbalances and any penalty applicable to the Month for which the Usage Charge Invoice is rendered. Imbalance statements should be rendered at the same time or prior to the generation of the Reservation Charge Invoice.

19.2 Billing Adjustments. Prior period adjustment time limits should be 6 Months from the date of the initial Reservation Charge Invoice and 7 Months from the date of the initial Usage Charge Invoice for the remaining charges with a 3-Month rebuttal period, excluding government required rate changes. The standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard.

19.3 Supporting Data. Pipeline and Shipper shall each deliver to the other for examination such pertinent records and charts as shall be necessary to verify the accuracy of any statement, chart or computation made by either of them under or pursuant to any of the provisions hereof, of the applicable rate schedule or of the Service Agreement.

19.4 Payment of Bills for Service under Pipeline's Transportation Rate Schedules. Except as otherwise hereinafter provided in this Section, Shipper shall pay to Pipeline by wire transfer of immediately available funds on or before the 10th day of each Month Pipeline's bill for the Reservation Rate for gas service rendered during the preceding calendar Month and on or before the 20th day of each Month Pipeline's bill for the remainder of the charges for gas service rendered during the preceding calendar Month; provided, however, Shipper may make payment by check (in accordance with the aforementioned payment due dates) rather than by wire transfer if Pipeline's bill(s) for the preceding calendar Month does not exceed \$50,000.00.

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If the normal payment date is a Saturday, Sunday or holiday, then payment is due the following Business Day.

The Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment. The statement of account should report outstanding balances by invoice.

19.5 Failure to Pay. Should Shipper fail to pay all of the amount of any bill as herein provided when such amount is due, interest on the unpaid portion of such amount shall accrue at the rate equal to the rate set forth in Section 154.501 of the Commission's Rules and Regulations from the due date until the date of payment. If such failure to pay continues for thirty (30) days after payment is due, Pipeline, in addition to any other remedy it may have hereunder, may notify a Shipper in writing of its nonpayment, allowing Shipper thirty days to make payment of any unpaid amount and to provide assurances satisfactory to Pipeline that such non-payment will not recur. Pipeline will not suspend service under this Section 19.5 until ten (10) days after the end of such thirty-day period, and then only upon written notice to Shipper and the Commission.

If Shipper in good faith disputes the amount of any such bill or any part thereof, Shipper shall provide written notice of its dispute including documentation identifying basis of dispute and shall either: (1) pay to Pipeline the full amount of such bill, subject to refund as described in Section 19.6 below, or (2) pay to Pipeline such amount as it concedes to be correct, and at any time thereafter within 30 days of a demand made by Pipeline, shall furnish good and sufficient surety bond from a surety on the U.S. Treasury approved list guaranteeing payment to Pipeline of the amount finally determined to be due. In the event Shipper pays such bill by wire transfer of funds, then Shipper shall provide Pipeline with the remittance detail in writing within two business days of payment. If, under option (2) as set forth in the immediately preceding

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sentence, Shipper, at Pipeline's demand, posts a surety bond and the amount finally determined to be due is that amount which Shipper asserted in its written notice of its dispute as being the correct amount due, then Pipeline shall reimburse Shipper for the amount of the premium paid for the surety bond obtained by Shipper. Upon (1) payment of such bill in full in the manner hereinabove described or (2) the furnishing of such bond by Shipper (unless and until default be made in the conditions of such bond), Pipeline shall not be entitled to suspend service pending a determination of the final amount due. If Shipper provides notice of its dispute and fails to (1) pay all or any part of such bill or (2) furnish a bond, Pipeline may take action to suspend service in the manner hereinabove described. A final, non-appealable determination of the amount due may be reached either by agreement between the parties, arbitration, or judgment of a court.

19.6 Over or Under Charges. If within 6 Months from the date of the initial Reservation Charge Invoice and 7 Months from the date of the initial Usage Charge Invoice with a 3-Month rebuttal period, it is found that Shipper has been overcharged or undercharged in any form whatsoever under the provisions hereof, and Shipper paid the bills containing such overcharge or undercharge, then within 30 days after the final determination thereof, Pipeline shall refund the amount of any such overcharge with interest thereon at the rate equal to the rate set forth in Section 154.501 of the Commission's Rules and Regulations from the time such overcharge was paid to the date of refund, and Shipper shall pay the amount of any undercharge but without interest.

19.7 Delayed Bills. If rendition of a bill by Pipeline to Shipper is delayed beyond the date specified in Section 19.1 of these GT&Cs, the Shipper shall pay such bill by within 10 days after rendition thereof.

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20. TERMINATION FOR DEFAULT

20.1 If either Pipeline or Shipper shall fail to perform any of the covenants or obligations imposed upon it or them under and by virtue of a Service Agreement hereunder, then in such event the other party may at its option terminate such agreement by proceeding as follows: The party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the agreement and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have twenty (20) days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the agreement, and if within said period of thirty (30) days the party in default does so remove and remedy said cause or causes and fully indemnify the party not in default for any and all consequences of such breach, by a good and sufficient indemnify bond or otherwise, then such notice shall be withdrawn and the agreement shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes or does not so indemnify the party giving the notice for any and all consequences of such breach, within 10 days after the end of such twenty (20) day period, then Pipeline will suspend service. After any necessary authorization by regulatory bodies having jurisdiction, the agreement shall become null and void from and after the expiration of said period, provided that notice of termination has not been withdrawn prior thereto. Any cancellation of such agreement pursuant to the provision of this paragraph shall be without prejudice to the right of Pipeline to collect any amounts then due to it for service prior to the time of cancellation and shall be without prejudice to the right of Shipper to receive any service for which it has paid but has not received, although entitled thereto, prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of such agreement. Failure to perform an act that is excused due to, inter alia, force majeure, does not constitute an event of default hereunder.

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20.2 Prior to a termination for default, Pipeline may suspend service to any Shipper who fails to comply with the GT&Cs, the applicable Rate Schedule, or Shipper's Service Agreement. Pipeline's failure to invoke its right to terminate an agreement for default shall not be construed as a waiver of Pipeline's right to terminate service during any other period when Shipper is in violation of the terms of this tariff or of Shipper's Service Agreement.

21. FORCE MAJEURE AND LIMITATION ON OBLIGATION TO PROVIDE SERVICE

21.1 Relief from Liability. Neither party shall be liable in damages to the other in the event of force majeure. Force majeure is defined to mean any act, omission or circumstance, whether foreseeable or not, occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy or terrorism, wars, blockades, insurrections, riots, epidemics, landslides, land subsidence, lightning, earthquakes, hurricanes, fires, storms, floods, washouts, and evacuation due to the threat of any of the foregoing arrests and restraints of rules and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, line freezeups, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, not within the control of the party claiming suspension and which by the exercise of Good Utility Practice, reasonable care and due diligence such party is unable to prevent or overcome. An event of force majeure shall not include lack of finances, the price or loss of fuel supply or energy produced, or lack of markets.

Good Utility Practice means any of the practices, methods, and acts engaged in or approved by a significant portion of the natural gas and electric power industries during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice does not require use of the optimum practice, method, or act, but only requires use of practices, methods, or acts generally accepted in the region where the Pipeline's facilities are located.

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21.2 Liabilities not Relieved. Force majeure affecting performance by either party, however, shall not relieve it of liability in the event of contributory negligence or misconduct or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve either party from its obligations to make payments of amounts as provided in the applicable Rate Schedule. Shipper's obligation to pay the applicable Reservation Rate shall be adjusted pursuant to GT&Cs Section 10.9 for the failure of Pipeline to deliver gas to or on behalf of Shipper.

21.3 Scheduling of Routine Maintenance. Pipeline shall have the right to curtail, interrupt, or discontinue service in whole or in part on all or a portion of its system from time to time to perform routine repair and maintenance on Pipeline's system as necessary to maintain the operational capability of Pipeline's system or to comply with applicable regulatory requirements. Pipeline shall exercise due diligence to schedule routine repair and maintenance so as to minimize disruptions of service to Shippers and shall provide reasonable notice of the same to Shippers.

21.4 Compliance with Directives of Governmental Agencies. Whenever in order to comply with orders, directives or regulations of duly constituted state, local or federal authorities, including, but not limited to, the Commission, the Department of Defense, the Department of Transportation, and the Environmental Protection Agency, Pipeline must curtail deliveries to Shipper and is unable to deliver to Shipper the quantities of gas which Shipper may then require up to the quantities of gas Pipeline is then obligated to deliver to Shipper, Pipeline shall not be liable in damages or otherwise to Shipper or any other person or entity for any such failure to deliver such quantities of gas to Shipper except to the extent the orders or directives were issued as a result of gross negligence, undue discrimination or willful misconduct or failure to exercise due diligence on the part of Pipeline.

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21.5 Shipper Warranty. Shipper warrants that all upstream and downstream transportation and/or service arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the Receipt Points and Delivery Points under this Agreement and any quantity and quality limitations for each point as specified on Exhibits A and B attached to the effective Service Agreement or elsewhere in Pipeline's Tariff. Shipper agrees to indemnify and hold Pipeline harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Tariff. Shipper agrees to indemnify and hold Pipeline harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein. Pipeline shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

21.6 Effect of Interconnecting Operations. In the event that any upstream entity involved in handling Shipper's gas refuses or is unable to deliver gas to Pipeline, Pipeline shall not be required to continue deliveries of gas on behalf of Shipper to the extent of such refusal or inability to deliver gas to Pipeline. In the event that any downstream entity involved in handling Shipper's gas refuses or is unable to receive gas from Pipeline, Pipeline shall have the right to reduce deliveries of gas on behalf of Shipper to the extent of such refusal or inability by the downstream entity to receive gas.

22. FUEL RETAINAGE QUANTITY

22.1 General. Periodically rates and charges under Pipeline's Tariff shall be adjusted to reflect changes in Pipeline's expenditures such as the Fuel Retainage Quantity. Such expenditures shall include both expenditures chargeable to operations as well as expenditures includable in rate base. During the term of the Service Agreements executed hereunder, Pipeline will periodically track changes in its requirement to retain gas in-kind for the Fuel Retainage Quantity used to provide service for Shippers.

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22.2 Fuel Retainage Percentage (FRP). The FRP shall be as quantified pursuant to this Section 22 and in the currently effective Sheet No. 8 of this Tariff. The FRP shall be subject to adjustment hereunder for service under all Rate Schedules unless otherwise explicitly provided in the Rate Schedule. The FRP shall be equal to the sum of (a) the currently effective FRP and (b) any increment added during an OFO issued pursuant to Section 9 of these GT&Cs for any gas used by the Pipeline in operating its system, gas lost in system operations and unaccounted for gas (including, but not limited to, a natural disaster, a pipeline rupture or other types of force majeure events).

22.3 Projected FRP. With each filing hereunder, Pipeline shall calculate a Projected FRP as the quotient obtained by dividing the projected annual quantities of Fuel Retainage Quantity by the projected annual throughput.

22.4 True Up

(a) FRQ Deferred Account. Pipeline shall determine the monthly difference between (i) the actual quantity of gas realized as a result of application of this Section 22, and (ii) the actual quantity of Fuel Retainage Quantity for the Month less any quantity of gas obtained during the Month pursuant to Section 9. The under- or over-realization of in-kind compensation gas shall be recorded as a debit or a credit, as the case may be, each Month in the FRQ Deferred Account. A monetary value shall be assigned to the volume debited to the FRQ Deferred Account based on amounts paid by Pipeline in obtaining gas to support the under-realization of in-kind compensation gas. Furthermore, a monetary value shall be assigned to the volume credited to the FRQ Deferred Account utilizing the Daily Gas Index Price plus charges for firm transportation and fuel.

The FRQ Deferred Account shall be accumulated in twelve-Month accumulation periods, August 1 to July 31, except for the initial accumulation period, which will begin on the effective date of this Section 22.4 and extend through the following July.

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(b) Carrying Charges. Each Month the FRQ Deferred Account shall be debited (if the balance in said account is a debit balance) and shall be credited (if the balance in said account is a credit balance) for a carrying charge, which shall be determined by the product of (1) and (2) below.

(1) The cash balance in the FRQ Deferred Account, exclusive of carrying charges accrued pursuant to this subsection (2) net of the related deferred tax amounts, if any, as of the end of the immediately preceding Month.

(2) The applicable FERC interest rate (18 C.F.R. §154.501(d)) as divided by 365, or 366 in a leap year, and then multiplied by the number of Gas Days in the applicable Month.

(c) Calculation of Surcharge or Refund. With each annual filing hereunder Pipeline shall calculate surcharges or refunds designed to amortize the net monetary value of the balance in the FRQ Deferred Account at the end of the previous accumulation period. The surcharge or refund shall be based upon the allocation of the FRQ Deferred Account balance at the end of the twelve Month accumulation period over the actual throughput during the twelve Month accumulation period. A Shipper's net debit or credit for the twelve Month period shall be due and payable sixty Gas Days after the Commission's acceptance of the annual filing.

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22.5 Procedure for Filing. At least thirty (30) days prior to the effective date of a change in the FRP hereunder, Pipeline shall file annually the FRQ report containing: (1) the revised FRP for the calendar year beginning in November, (2) a workpaper supporting the revised fuel requirements, (3) the calculation of the FRQ deferral allocation, (4) workpapers showing the monthly accrual of the FRQ deferred balance for the period of August 1 through July 31 of each year, (5) the computation of each shipper's surcharge or refund for the FRQ Deferred Account balance as of July 31 of each year plus carrying charges, and (6) the calculation of the monthly carrying charges through November 1 of each year. Pipeline may file interim proposals between annual filings subject to approval by the Commission.

22.6 The fuel costs recovered pursuant to the System Balancing Cost Reconciliation Mechanism set forth in the GT&Cs Section 12.8 will not be included in the Fuel Retainage Quantity and will not be collected as part of the FRP.

23. PERIODIC RATE ADJUSTMENTS AND SURCHARGES

Pipeline and Shipper recognize that Pipeline will from time to time experience changes in costs related to providing service under this Tariff, including, but not limited to, changes in the cost of labor, benefits, materials and supplies, taxes, gross receipt taxes, required rate of return, costs associated with the resolution of past disputes or outstanding uncertainties concerning amounts owed by Pipeline or Shipper or attributable to Pipeline or Shipper, and costs generated by decisions of the Commission, the courts or by an arbitration panel or other body having jurisdiction over the Pipeline. Pipeline hereby notifies Shippers that it may be appropriate, equitable and consistent with cost responsibility to allocate such costs among Shippers based on or taking into account past period factors, such as contract demand levels, purchases or other factors related to a prior period of time. Pipeline hereby notifies Shippers that Pipeline shall have the right from time to time unilaterally to make rate change filings which may include such costs and utilize an allocation methodology based in whole or in part on factors related to past periods. Shipper shall have the right to intervene and protest any such filing.

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24. ANNUAL CHARGE ADJUSTMENT (ACA)

24.1 Application. This Section of the GT&Cs is filed pursuant to Section 382.202 of the FERC Rules and Regulations and Order No. 472. This Section authorizes Pipeline to recover from Shippers the annual charge assessed to Pipeline by the Commission for Commission budgetary expenses. Pipeline shall recover this charge by including in Pipeline's transportation rates a per unit rate equivalent to the per Dt charge assessed against Pipeline by the Commission. When Pipeline provides services to Shipper under multiple transaction arrangements on Pipeline's system, Pipeline will assess the ACA charge only once on the same quantities of gas.

24.2 Definitions

(a) Effective Date. Pipeline shall adjust its ACA Charge annually to be effective each October 1.

(b) Unit Rate. Pipeline's unit rate shall be the unit rate used by the Commission to determine the annual assessment to Pipeline adjusted, as appropriate, to a thermal basis.

(c) Affected Rate Schedules. The affected rate schedules are all Rate Schedules contained in Pipeline's FERC Gas Tariff and all services performed under the Commission's Regulations.

24.3 Procedures to Determine ACA Charge Unit Rate. Pipeline shall determine the ACA Charge Unit Rate by using the unit rate used by the Commission to determine Pipeline's annual charge adjustment and adjust such rate, as appropriate, to a thermal basis. Pipeline shall round such Unit Rate to the nearest one-hundredth of one cent (\$0.0001).

24.4 Changes to the ACA Charge must be filed annually to reflect the annual charge Unit Rate authorized by the Commission each fiscal year and are subject to the notice requirements of Section 154.22 of the Commission's Rules and Regulations.

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25. PENALTY REVENUE SHARING

For each Month during each annual period, Pipeline shall determine the Shippers that have not incurred in that Month any of the penalties subject to distribution pursuant to this Section ("Non-Offending Shipper"), and therefore, are eligible to share in the penalty revenue collected in that Month. Pipeline shall distribute annually all penalty revenue net of costs collected during each annual period net of costs to Non-Offending Shippers under firm and interruptible transportation agreements with Pipeline. Each annual period shall consist of a twelve (12) Month period ending July 31. Only out-of-pocket costs incurred as a direct result of an offending Shipper's unauthorized overrun, failure to abide by an OFO, other misconduct and from the transactions that gave rise to the penalty amounts shall be deducted from the penalty revenue. Non-Offending Shippers will share in all penalty revenue net of costs collected during that Month based on each respective Non-Offending Shipper's actual fixed cost contribution as a percentage of the total fixed cost contribution of all Non-Offending Shippers (exclusive of the fixed cost contribution pertaining to service purchased by Pipeline from third parties) during that Month. The fixed cost contribution for any capacity release transaction not subject to the maximum rate ceiling shall be capped at the fixed cost portion of the maximum tariff rate that applies to the original Shipper's contract.

Following each annual period, Pipeline shall post on its Internet Web Site the penalty revenue collected and file a report with the Commission and serve such report on Shippers. If the penalty revenue collected during an annual period does not exceed \$50,000.00, Pipeline shall not distribute the penalty revenue to the Non-Offending Shippers as determined above, but shall retain the penalty revenue for distribution to the Non-Offending Shippers following the end of the annual period during which the cumulative undistributed penalty revenue collected exceeds \$50,000.00. Any penalty revenue collected and retained by Pipeline shall accrue interest calculated pursuant to the regulations of the Commission.

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26. INTERRUPTIBLE TRANSPORTATION REVENUE SHARING

The actual revenues, net of all variable costs, received by Pipeline in any fiscal year, for services under Rate Schedule IT shall be credited to all firm Shippers by invoice credit. Such credit shall be in proportion to the firm transportation service Reservation Rate revenues received from each such Shipper during the subject fiscal year, and shall be made not later than the February statement following such fiscal year submitted to Shipper pursuant to GT&Cs Section 19.

27. NEGOTIATED RATES

Notwithstanding anything to the contrary contained in this Tariff, Pipeline and Shipper may negotiate a rate for service under any rate schedule contained in this Tariff. Pipeline's maximum rate for service under Rate Schedule FT or Rate Schedule IT as shown on Pipeline's effective rate sheets ("Recourse Rate") is available for any Shipper. The following information will be stated in all negotiated rate schedules, which will be filed with the Commission:

Contract No.:

Term:

Shipper Name:

Negotiated Rate or Rate Formula:

Applicable Rate Schedules:

Receipt Point(s):

Delivery Point(s):

Contract Quantities:

(1) For firm service, a Maximum Daily Transportation Quantity ("MDTQ") of Dt per Gas Day; and a Maximum Annual Transportation Quantity ("MATQ") of ____ Dt.

(2) For interruptible service, contract quantities shall be the actual usage.

Affirmation: The effective Service Agreement does not deviate in any material aspect from the form of Service Agreement in this Tariff.

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28. ORDER OF DISCOUNTS, DISCOUNT TERMS

28.1 If and when Pipeline discounts the rates applicable for service under any Service Agreement under Rate Schedules included in Pipeline's FERC Gas Tariff, the amount of any such discount shall be accounted for as a reduction of maximum rates in the following sequence to the extent any of the following components are included in the maximum rate:

Reservation Charges - Fixed Cost Unit Rate component of base reservation rate for firm service;

Volumetric Charges - Fixed Cost Unit Rate component of base usage rate for interruptible service;

28.2 In the event Pipeline agrees to discount its rate to Shipper below Pipeline's maximum rate under Pipeline's Rate Schedules FT and IT, the following discount terms may be reflected on Exhibit C to the FT Service Agreement and Exhibit C to the IT Service Agreement and will apply without the discount constituting a material deviation from Pipeline's pro forma Service Agreement; provided, however, any such discount shall not be less than Pipeline's minimum rate. Such discounted rate may apply:

- (1) only to specified quantities under Shipper's Service Agreement(s);
- (2) only if specified quantities are achieved (with maximum rates applicable to volumes above specified quantities or to all quantities if specified quantities are never achieved);
- (3) only in a specified relationship to quantities actually transported (i.e., that the rates shall be adjusted in a specified relationship to the quantities actually transported);

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(4) only during specified periods of the year or over specifically-defined periods of time;

(5) only to specified Receipt Points or Delivery Points, markets, or other defined geographical areas; and/or only to production reserves dedicated by the Shipper.

28.3 If Pipeline has agreed to a discount with a Shipper receiving transportation service from Pipeline pursuant to Part 284 of the Commission's regulations and the discount is limited to specific Receipt Point(s) or Delivery Point(s) or both, the Shipper may request that a discount apply to the use of an alternate Receipt Point or alternate Delivery Point (whether through capacity release, segmentation or its own exercise of flexible Receipt Point(s) and Delivery Point(s) rights). There is a rebuttable presumption that the Shipper will retain its discount for transportation utilizing an alternate point if Pipeline grants discounts to others receiving transportation service utilizing that point. However, Pipeline can rebut this presumption by demonstrating that the service to the Shipper is not similarly situated to the service receiving a discount utilizing the alternate point. If Shipper receives a discount for transportation utilizing the alternate point, Shipper shall pay the higher of its contractual rate or the discount rate provided to another utilizing the alternate point.

A Shipper may request to retain a discount for service to an alternate point by faxing or emailing a request to Pipeline no less than two (2) hours prior to its nomination to use an alternate point. Pipeline will respond to that request and inform the Shipper whether a discount shall apply within two (2) hours of receipt of the request; provided, however, that Pipeline will respond to requests received after 4:00 p.m. CCT by no later than 8:30 a.m. CCT the following morning. If Shipper has previously requested application of a discount to the same point and Pipeline has not agreed, Pipeline shall not respond to the renewed request unless Pipeline's decision has changed.

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29. NOTICES

Consistent with GT&Cs Section 36, any communication, notices, request, demand, statement or bill provided for in this Tariff or in a gas Service Agreement, or any notice that either Pipeline or Shipper may desire to give the other, shall be made using the Pipeline's Internet Web Site established by Pipeline, provided however, that in the event the Pipeline's Internet Web Site is not properly functioning or during emergencies such communications will be made via email first, then by telephone or facsimile.

30. CODE OF COMPLIANCE BY SHIPPER

It shall be the Shipper's sole responsibility to purchase, install, operate, and maintain Shipper's facilities or equipment used for odorizing, handling, manufacturing, storing, transporting or distributing natural gas delivered to or received from Pipeline in compliance with all applicable local, State, and federal codes, rules, and regulations. Pipeline shall not be held responsible for any damages resulting from Shipper's noncompliance even if such is known to Pipeline.

31. NATIONAL DEFENSE

Both Shipper and Pipeline recognize that the national defense is paramount to any contractual obligation then existing between them, and, notwithstanding any contractual provision, neither Pipeline nor Shipper shall assert nor be required to assume any obligation that is inconsistent with or contrary to any valid order of any governmental agency having jurisdiction.

32. DISCRETIONARY WAIVER

Pipeline may waive any of its rights hereunder or any obligations of Shipper on a basis that is not unduly discriminatory; provided that no waiver by either Shipper or Pipeline of any one or more defaults by the other in the performance of any provision of the Service Agreement between Shipper and Pipeline shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

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33. DESCRIPTIVE HEADINGS

The descriptive headings of the provisions of this FERC Gas Tariff are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any of such provisions.

34. GOVERNMENTAL REGULATION

34.1 The Service Agreement, and all terms and provisions contained or incorporated therein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of the Commission having primary and exclusive jurisdiction.

34.2 Shipper agrees that Pipeline shall have the unilateral right to file with the Commission any changes in any of the provisions of its Tariff, including of any of Pipeline's Rate Schedules or the GT&Cs, as Pipeline may deem necessary, and to make such changes effective at such times as Pipeline desires and is possible under applicable law.

35. REPORTS WITH RESPECT TO TARIFF

35.1 On an annual basis, Pipeline files its Fuel Retainage Quantity ("FRQ") report in accordance with GT&Cs Section 22.

35.2 On an annual basis, Pipeline files its ACA Charge pursuant to GT&Cs Section 24.

35.3 On an annual basis, Pipeline files its Penalty Revenue Sharing report pursuant to GT&Cs Section 25.

35.4 On an annual basis, Pipeline files its IT Revenue Sharing report pursuant to GT&Cs Section 26.

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36. ELECTRONIC COMMUNICATION AND REPORTING REQUIREMENTS

36.1 Internet Web Site. In compliance with Order Nos. 636 and 637 Pipeline has established an electronic bulletin board to publicize information concerning its services and available transportation capacity. Pipeline's Internet Web Site is available on a nondiscriminatory basis for use by any Shipper that has executed a License and Service Agreement. All Shippers shall use the Pipeline's Internet Web Site to conduct daily business transactions. Certain other transactions, such as nominations, posting and bids, will be electronically confirmed on the Pipeline's Internet Web Site as they occur. Shippers who have executed an Internet Web Site License & Service Agreement and agree to comply with the procedures for access to and use of the Pipeline's Internet Web Site will be assigned a user identification and password. Pipeline reserves the right to provide, to contract for, or otherwise obtain a license for enhancements to its Internet Web Site at its sole discretion. Pipeline will exercise due diligence to ensure the Pipeline's Internet Web Site operates correctly and will provide timely and equal access to Internet Web Site manuals and to any information available on the Pipeline's Internet Web Site. In circumstances when the Pipeline's Internet Web Site is not properly functioning or during emergencies, Pipeline shall contact Shipper by email first, and then telephone or facsimile.

36.2 A Shipper who has executed a Service Agreement has the option to utilize the Pipeline's Internet Web Site for the purposes of:

(a) requesting service, executing, tracking and amending Service Agreements under Rate Schedules FT and IT, and providing nominations, allocations and viewing of operational imbalances under such Rate Schedules as a Shipper of Pipeline pursuant to the applicable Rate Schedule and the GT&Cs;

(b) exercising its rights as a Shipper of Pipeline pursuant to Section 11 of the GT&Cs or submitting a bid as a Replacement Shipper of Pipeline under such section (which if submitted utilizing the Pipeline's Internet Web Site will be posted at that time) or submitting a bid as a Replacement or Prearranged Shipper of Pipeline pursuant to such section, or posting a capacity request for capacity release pursuant to such section;

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(c) viewing and downloading operational data for any gas flow Day on the second subsequent gas flow Day;
and

(d) viewing Pipeline's notice of an OFO as contemplated by GT&Cs Section 9.

36.3 The Pipeline's Internet Web Site shall contain at a minimum information regarding:

(a) the unsubscribed capacity available on the System for firm and interruptible transportation, including capacity availability on the system and at Receipt Points and Delivery Points;

(b) the operationally available capacity on the System for firm and interruptible transportation, including capacity availability on the system and at Receipt Points and Delivery Points;

(c) the master Receipt Point list and the master Delivery Point list including for each the following:

- (i) Designation of Delivery or Receipt Point;
- (ii) Location of Delivery or Receipt Point;
- (iii) Operator name and phone number; and
- (iv) Total firm capacity subscribed at the Delivery or Receipt Point.

(d) the Capacity Release information described in Section 11 herein;

(e) offers to purchase released transportation rights from firm Shippers;

(f) Index of Shippers;

(g) Pipeline's currently effective FERC Gas Tariff and GT&Cs;

(h) critical Notices (when operational);

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(i) the following information for each transportation contract between Pipeline and any marketing affiliate of Pipeline executed during the previous three years:

- (i) the name of the Shipper;
- (ii) its affiliation with Pipeline;
- (iii) the contract number;
- (iv) the date on which such Shipper requested service pursuant to this tariff; and
- (v) notice of Shippers' Monthly Measurement Variance Factor.

These notices will be available for download in RTF and HTML format.

36.4 For generic, system-wide notices any provisions of this Tariff requiring that these matters be written or in writing are satisfied by Pipeline utilizing electronic transmission through the Pipeline's Internet Web Site in accordance with the procedures for utilization of the Pipeline's Internet Web Site. The provisions of this Tariff requiring that certain matters be written or in writing are satisfied by Shipper utilizing electronic transmission through the Pipeline's Internet Web Site in accordance with the procedures for utilization of the Pipeline's Internet Web Site. All other provisions, including Service Agreement-specific notices, requiring items or information to be written or in writing remain unchanged unless otherwise agreed by Pipeline and Shipper. Critical systemwide notices shall have a separate category from notices that are not critical.

36.5 Pipeline or an affiliate of Pipeline is the exclusive proprietor of the programming which generates the Pipeline's Internet Web Site and of all the copyrights and proprietary interests therein, except insofar as any third party (whose materials are made available in the files of the Pipeline's Internet Web Site under license to Pipeline) possesses a copyright or proprietary interest in such materials, but not of the files of and the information displayed on the Pipeline's Internet Web Site. A Shipper under a Service Agreement will not by virtue of this Section or the executed Service Agreement acquire any proprietary interests in the programming which generates the Pipeline's Internet Web Site.

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36.6 Pipeline shall not be liable to the Shippers under their Service Agreements nor any other party in damages for any act, omission or circumstance related to the Pipeline's Internet Web Site occasioned by or in consequence of an event of force majeure as defined in GT&Cs Section 21. To the extent the information displayed on the Pipeline's Internet Web Site is originated solely by Pipeline and such information is subsequently determined to be inaccurate, Shippers under their Service Agreements shall not be subject to any penalties otherwise collectable by Pipeline based on Shipper conduct attributable to such inaccuracy during the period the inaccurate information was displayed on the Pipeline's Internet Web Site.

36.7 Pipeline warrants that, without the express consent of a Shipper under a Service Agreement or as provided for under this Tariff, no Pipeline employee or agent will disclose to any third party any information regarding research performed through the use of the Pipeline's Internet Web Site by Shippers under their Service Agreements.

36.8 Shipper shall indemnify Pipeline against and hold Pipeline harmless from any and all damages, claims, suits, actions or proceedings whatsoever threatened or initiated as a result of any act or omission of the Pipeline's Internet Web Site; except if such damages, claims, suits, actions or proceedings are due to Pipeline's gross negligence, undue discrimination or willful misconduct.

37. INCORPORATION IN RATE SCHEDULES AND GAS SERVICE CONTRACTS

These GT&Cs are incorporated in and are part of Pipeline's Rate Schedules and Service Agreement. To the extent any provision of a Service Agreement conflicts with any provision in the corresponding Rate Schedule, the Service Agreement shall govern. In the event of a conflict between the GT&Cs and the provisions of a Rate Schedule or a corresponding Service Agreement, the provisions of the GT&Cs will govern; provided however, in the event of a conflict between the rate set forth in a Rate Schedule and a corresponding Service Agreement, the Service Agreement shall govern.

Substitute First Revised Sheet No. 161 Substitute First Revised Sheet No. 161 : Superseded
Superseding: Substitute Original Sheet No. 161

GENERAL TERMS AND CONDITIONS
(continued)

38. NORTH AMERICAN ENERGY STANDARDS BOARD ("NAESB")

Pipeline is adopting and incorporating herein by reference the following NAESB standards, definitions and data sets, Version 1.7, as modified by NAESB Recommendation R03035A, 2004 Annual Plan Item 2, and 2005 Annual Plan Item 8:

0.3.1 through 0.3.10, 1.2.1 through 1.2.6, 1.2.8 through 1.2.11, 1.2.13, 1.2.14, 1.2.17 through 1.2.19, 1.3.1, 1.3.2(vi), 1.3.3 through 1.3.6, 1.3.8, 1.3.9, 1.3.13 through 1.3.77, 1.3.79, 1.4.1 through 1.4.7,

2.2.1 through 2.2.5, 2.3.1 through 2.3.23, 2.3.25 through 2.3.35, 2.3.40 through 2.3.64, 2.4.1 through 2.4.16,

3.2.1, 3.3.1 through 3.3.20, 3.3.22 through 3.3.26, 3.4.1 through 3.4.4,

4.2.1 through 4.2.20, 4.3.1 through 4.3.3, 4.3.5, 4.3.7 through 4.3.18, 4.3.20, 4.3.22 through 4.3.62, 4.3.64 through 4.3.76, 4.3.78 through 4.3.92,

5.2.1 through 5.2.3, 5.3.3 through 5.3.5, 5.3.7 through 5.3.60, 5.4.1 through 5.4.22.

39. AGENCY SERVICE

In connection with a service rendered by Pipeline pursuant to any Rate Schedule in its FERC Gas Tariff, Pipeline or a third party may agree to act as agent for its Shipper to arrange for any service (under any such Rate Schedule or otherwise) and to perform any acts (including but not limited to the receipt and payment of invoice, the giving of notice, the designation of delivery and receipt points, the scheduling of volumes for transportation and storage, and the receipt of proceeds from, or the payment of amounts due for, the monthly resolution of transportation imbalances under Section 12) in connection with any service so arranged. Such service as agent shall be

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.162 Original Sheet No.162 : Superseded

GENERAL TERMS AND CONDITIONS
(continued)

available only on condition and to the extent that Pipeline and Shipper have executed a written Agency Authorization Agreement that contains the terms, conditions and fees applicable to such service and specifies the acts with respect to which Pipeline or a third party is to act as agent for Shipper. It is provided, however, that any such Agency Authorization Agreement shall provide that any services arranged and any acts performed by Pipeline or a third party under such Agency Authorization Agreement shall be done expressly on behalf of Shipper, and that Shipper shall remain primarily responsible for the payment to Pipeline or other provider of the fees and charges for the services arranged and the acts performed on behalf of Shipper. The Pipeline is authorized to accept the actions of an agent within the scope of its authority to the same extent as it would accept the actions of Shipper, shall provide that Shipper shall indemnify Pipeline and hold it harmless for any loss or damage occasioned by agent's actions or Pipeline's reliance thereon.

40. COMPLAINTS

Pipeline will respond verbally to any written complaint made by a Shipper or potential shipper within 48 hours and will respond in writing to such complaint within 30 days. Formal complaints should be directed to the following contact person:

Samuel L. Dozier
SCG Pipeline Corp.
P.O. Box 764
Columbia, SC 29218
803-217-6457
Fax 803-217-9148
sdozier@scana.com

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.163 Original Sheet No.163 : Superseded

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RESERVED FOR FUTURE USE

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.200 Original Sheet No.200 : Superseded

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Original Sheet No.201 Original Sheet No.201 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT

This Service Agreement is made and entered into this _____ day of _____,
_____, by and between SCG Pipeline, Inc. (herein called "Pipeline") and
_____ (herein called "Shipper", whether one or more),

W I T N E S S E T H:

WHEREAS, Pipeline is an interstate pipeline, as defined in Section 2(15) of
the Natural Gas Policy Act of 1978 ("NGPA"), providing service pursuant to its
Tariff filed with the Federal Energy Regulatory Commission (FERC);

NOW, THEREFORE, in consideration of the premises and of the mutual covenants
and agreements herein contained, the parties do covenant and agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof, of Pipeline's
Rate Schedule FT, and of the GT&Cs of Pipeline's Tariff, transportation
service hereunder will be firm and Pipeline agrees to deliver for Shipper's
account quantities of gas up to the following total quantities:

Maximum Daily Transportation Quantity (MDTQ) _____ Dt

1.2 Pipeline will receive for Shipper's account for transportation hereunder
daily quantities of gas up to Shipper's MDTQ, plus Fuel Retainage Quantity, at
Receipt Points as specified in Exhibit A hereto. Pipeline will transport and
deliver for Shipper's account such daily quantities tendered up to such
Shipper's MDTQ to the Delivery Points as specified in Exhibit B of this
Service Agreement. Exhibits A and B are hereby incorporated as part of this
Service Agreement for all intents and purposes.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.202 Original Sheet No.202 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

1.3 On any given Gas Day, Pipeline shall not be obligated to, but may at its sole discretion, receive at Receipt Points quantities of gas in excess of the Maximum Daily Receipt Quantity (MDRQ), plus Fuel Retainage Quantity, but shall not receive in the aggregate at all Receipt Points on any Gas Day a quantity of gas in excess of the applicable MDTQ, plus Fuel Retainage Quantity. On any given Gas Day, Pipeline shall not be obligated to, but may at its sole discretion, deliver at any Delivery Point quantities of gas in excess of the Maximum Daily Delivery Quantity (MDDQ), but shall not deliver in the aggregate at all Delivery Points on any Gas Day quantities of gas in excess of the applicable MDTQ.

ARTICLE II
TERM OF AGREEMENT

2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term of ____ months after service commences ("Primary Term"). Extension and termination of this Agreement shall be governed by the applicable provisions of Sections 2 and 4 of the GT&Cs of Pipeline's Tariff.

2.2 Shipper agrees that Pipeline may terminate this Service Agreement at any time subject to the GT&Cs.

2.3 Any portions of this Service Agreement necessary to correct or cash-out imbalances or to make payment under this Service Agreement as required by the GT&Cs will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.203 Original Sheet No.203 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

ARTICLE III
RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

3.1 For the entire period when this Service Agreement is in effect, this Service Agreement will be subject to all provisions of Rate Schedule FT and the GT&Cs of Pipeline's Tariff on file with the Commission, as such may be revised or superseded from time to time, all of which are by this reference made a part hereof. All of the terms defined in Pipeline's Tariff shall have the same meaning in this Service Agreement.

3.2 Shipper agrees to and will pay Pipeline all Reservation, Usage and other charges and fees provided for in Rate Schedule FT, as effective from time to time, for service under this Service Agreement unless otherwise agreed to by the parties in a negotiated arrangement.

3.3 Shipper agrees that Pipeline shall have the unilateral right to file with the Commission any changes in any of the provisions of its Tariff, including of any of Pipeline's Rate Schedules or the GT&Cs, as Pipeline may deem necessary, and to make such changes effective at such times as Pipeline desires and is possible under applicable law.

3.4 If applicable, Shipper warrants that the transportation service hereunder meets the requirements set out in Subpart V of Part 284 of the Commission's Regulations and qualifies for service under Rate Schedule FT, as applicable; provided, however, that this warranty does not extend to actions taken that are within the control of Pipeline. A certification from the party on whose behalf Pipeline will render the transportation services hereunder is attached as Exhibit C. Shipper further agrees to abide by the terms of Rate Schedule FT, as applicable. Shipper will indemnify Pipeline and save it harmless from all suits, actions, damages, costs, expenses (including reasonable attorney fees) and regulatory proceedings, arising from breach of this warranty.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.204 Original Sheet No.204 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

ARTICLE IV
QUALITY

4.1 All natural gas tendered to Pipeline for Shipper's account shall conform to the quality specifications set forth in Section 14 of Pipeline's GT&Cs. Shipper agrees that if Shipper tenders gas which does not comply with the quality specifications for service hereunder and Pipeline accepts such gas, Shipper will in addition to the provision of GT&Cs Section 14 pay all costs associated with processing of such gas as necessary to comply with such quality specifications.

ARTICLE V
ADDRESSES

5.1 Except as herein otherwise provided or as provided in the GT&Cs, any notice, request, demand, statement, invoice or payment provided for in this Service Agreement, or any notice which any party desires to give to the other, must be in writing and will be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

- (a) Pipeline:
- (b) Shipper:
- (c) or such other address as either party designates by formal written notice.

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.205 Original Sheet No.205 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

ARTICLE VI
ASSIGNMENTS

6.1 Any entity which succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or of Pipeline will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Service Agreement. Either Shipper or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, receivable sale, or similar instrument which it has executed or may execute hereafter, without relieving itself of its obligations under this Service Agreement. Except as set forth above, neither Shipper nor Pipeline shall assign this Service Agreement or any of its rights hereunder without the prior written consent of the other party; provided, however, that neither Shipper nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Shipper may assign its rights to capacity pursuant to GT&Cs Section 11.

ARTICLE VII
NONRECOURSE OBLIGATION
OF PIPELINE'S PARENTS AND OTHER AFFILIATES

7.1 Shipper acknowledges and agrees that: (a) Shipper shall have no recourse against the Pipeline's parent and other affiliates with respect to Pipeline's obligations under this Service Agreement and that its sole recourse shall be against the assets and revenues of Pipeline, irrespective of any failure to comply with applicable law of any provision of this Service Agreement; (b) no claim shall be made against the Pipeline's parent and other affiliates under or in connection with this Service Agreement; and (c) this representation is made expressly for the benefit of the Pipeline's parent and other affiliates.

7.2 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, or consequential damages (including, without limitation, loss of profits or business interruptions) arising out of or in any manner related to this Agreement.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.206 Original Sheet No.206 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

ARTICLE VIII
LAW OF CONTRACT

8.1 The parties hereto agree that the interpretation and performance of this Service Agreement must be in accordance with the laws of the State of South Carolina without recourse to the law governing conflict of laws.

8.2 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE IX
CANCELLATION OF PRIOR CONTRACT(S)

9.1 This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.207 Original Sheet No.207 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed by their respective duly authorized officers and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

SCG Pipeline, Inc.

By _____

WITNESS:

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.208 Original Sheet No.208 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

EXHIBIT A

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE FT
BETWEEN
SCG PIPELINE, INC.
AND

_____ ("Shipper")

DATED _____

FIRM RECEIPT POINTS

RECEIPT POINT	MDRQ	RECEIPT PRESSURE LIMITATIONS
------------------	------	---------------------------------

(plus applicable fuel retainage quantities) (Dtd)

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.209 Original Sheet No.209 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

EXHIBIT B

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE FT
BETWEEN
SCG PIPELINE, INC.
AND

_____ ("Shipper")

DATED _____

FIRM DELIVERY POINTS

DELIVERY POINT (Dt)	MDDQ	DELIVERY PRESSURE LIMITATIONS
---------------------------	------	----------------------------------

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.210 Original Sheet No.210 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE FT
(continued)

EXHIBIT C

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE FT
BETWEEN
SCG PIPELINE, INC.
AND

_____ ("Shipper")

DATED _____

RATE

Signed for Identification
Pipeline: _____
Shipper: _____
Supersedes Exhibit A Dated: _____

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.211 Original Sheet No.211 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT

This Service Agreement is made and entered into this ____ day of _____,
____, by and between SCG Pipeline, Inc. (herein called "Pipeline") and
_____ (herein called
"Shipper"), whether one or more),

W I T N E S S E T H:

WHEREAS, Pipeline is an interstate pipeline , as defined in Section 2(15) of
the Natural Gas Policy Act of 1978, providing service pursuant to its Tariff
filed with the Federal Energy Regulatory Commission (FERC);

NOW, THEREFORE, in consideration of the premises and of the mutual
covenants and agreements herein contained, the parties do covenant and agree
as follows:

ARTICLE I
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof, of
Pipeline's Rate Schedule IT, and of the GT&Cs of Pipeline's FERC Tariff,
Pipeline will provide to Shipper interruptible gas transportation service.

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.212 Original Sheet No.212 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT
(continued)

2.3 Any portions of this Service Agreement necessary to correct or cash-out imbalances or to make payment under this Service Agreement as required by the GT&Cs will survive the other parts of this Service Agreement until such time as such balancing or payment has been accomplished.

ARTICLE III
RATE SCHEDULE AND GENERAL TERMS AND CONDITIONS

3.1 For the entire period when this Service Agreement is in effect, this Service Agreement will be subject to all provisions of Rate Schedule IT and the GT&Cs of Pipeline's Tariff on file with the Commission, all of which are by this reference made a part hereof. All of the terms defined in Pipeline's Tariff shall have the same meaning in this Service Agreement.

3.2 Shipper agrees to and will pay Pipeline all Usage and other charges and fees provided for in Rate Schedule IT, as effective from time to time, for service under this Service Agreement.

3.3 Shipper agrees that Pipeline shall have the unilateral right to file with the Commission any changes in any of the provisions of its Tariff, including of any of Pipeline's Rate Schedules or the GT&Cs, as Pipeline may deem necessary, and to make such changes effective at such times as Pipeline desires and is possible under applicable law.

ARTICLE IV
QUALITY

4.1 All natural gas tendered to Pipeline for Shipper's account shall conform to the quality specifications set forth in Section 14 of Pipeline's GT&Cs. Shipper agrees that if Shipper tenders gas for service hereunder and Pipeline accepts such gas which does not comply with the quality specifications, Shipper will in addition to the provisions of GT&Cs Section 14 pay all costs associated with processing of such gas as necessary to comply with such quality specifications.

ARTICLE II
TERM OF AGREEMENT

2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term of ____ months after service commences ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice [at least 12 months for long term Service Agreements; mutually agreeable notice for short term Service Agreements] prior to the end of the Primary Term or any successive term thereafter.

2.2 Shipper agrees that Pipeline may terminate this Service Agreement at any time subject to the GT&Cs.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.213 Original Sheet No.213 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT
(continued)

ARTICLE V
ADDRESSES

5.1 Except as herein otherwise provided or as provided in the GT&Cs, any notice, request, demand, statement, invoice or payment provided for in this Service Agreement, or any notice which any party desires to give to the other, must be in writing and will be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline

(b) Shipper

(c) or such other address as either party designates by formal written notice.

ARTICLE VI
ASSIGNMENTS

6.1 Any entity which succeeds by purchase, merger, or consolidation to the properties, substantially as an entirety, of Shipper or of Pipeline will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Service Agreement. Either Shipper or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, receivable sale, or similar instrument which it has executed or may execute hereafter without relieving itself of its obligations under this Service Agreement. Except as set forth above, neither Shipper nor Pipeline shall assign this Service Agreement or any of its rights hereunder without the prior written consent of the other party; provided, however, that neither Shipper nor Pipeline shall be released from its obligations hereunder without the consent of the other.

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.214 Original Sheet No.214 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT
(continued)

ARTICLE VII
NONRECOURSE OBLIGATION OF
PIPELINE'S PARENT AND OTHER AFFILIATES

7.1 Shipper acknowledges and agrees that (a) Shipper shall have no recourse against the Pipeline's parent and other affiliates with respect to Pipeline's obligations under this Service Agreement and that its sole recourse shall be against the assets and revenues of Pipeline, irrespective of any failure to comply with applicable law of any provision of this Service Agreement; (b) no claim shall be made against the Pipeline's parent and other affiliates under or in connection with this Service Agreement; and (c) this representation is made expressly for the benefit of the Pipeline's parent and other affiliates.

7.2 The parties hereto agree that neither party shall be liable to the other party for any special, indirect, or consequential damages (including, without limitation, loss of profits or business interruptions) arising out of or in any manner related to this Agreement.

ARTICLE VIII
LAW OF CONTRACT

8.1 The parties hereto agree that the interpretation and performance of this Service Agreement must be in accordance with the laws of the State of South Carolina without recourse to the law governing conflict of laws.

8.2 This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.215 Original Sheet No.215 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT
(continued)

ARTICLE IX
CANCELLATION OF PRIOR CONTRACT(S)

9.1 This Service Agreement supersedes and cancels, as of the Effective Date of this Service Agreement, the contract(s) between the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed by their respective duly authorized officers and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

SCG Pipeline, Inc.

By _____

WITNESS:

[_____]

By _____

WITNESS:

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.216 Original Sheet No.216 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT
(continued)

EXHIBIT A

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE IT
BETWEEN
SCG PIPELINE, INC.
AND

_____ ("Shipper")

DATED _____

RECEIPT POINTS

RECEIPT POINT	MDRQ
(plus applicable fuel retainage quantities)	(Dt)

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.217 Original Sheet No.217 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT
(continued)

EXHIBIT B

to

SERVICE AGREEMENT UNDER
RATE SCHEDULE IT
BETWEEN
SCG PIPELINE, INC.
AND

_____ ("Shipper")

DATED _____

DELIVERY POINTS

DELIVERY POINT	MDDQ (Dt)
----------------	--------------

Signed for Identification

Pipeline: _____

Shipper: _____

Supersedes Exhibit B Dated: _____

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.218 Original Sheet No.218 : Superseded

FORM OF SERVICE AGREEMENT
FOR RATE SCHEDULE IT
(continued)

EXHIBIT C

of

SERVICE AGREEMENT UNDER
RATE SCHEDULE IT
BETWEEN
SCG PIPELINE, INC.
AND

_____ ("Shipper"

DATED _____

RATE

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.219 Original Sheet No.219 : Superseded

TRANSPORTATION REQUEST FORM

Transportation Services Department

SCG Pipeline, Inc.
P.O. Box 102407
Columbia, SC 29224-2407

Attention:

To Whom It May Concern:

_____ (Shipper) hereby requests transportation services from SCG Pipeline, Inc. (Pipeline) and is providing Pipeline the following information in connection with this request:

1. Type of service requested is:
____ new service
____ modification to existing service under
Contract No. _____
____ conversion from existing Section 311 service under
Contact No. _____
____ to blanket transportation service and:
____ firm transportation (FT) (Code 1)
____ interruptible transportation (IT) (Code 2) under:
____ Section 311 of NGPA (Section 284.101 et seq.)
____ Blanket certificate (Section 284.221 et seq.)

2. Full legal name of Shipper, type of legal entity and, if corporation state of incorporation:

Contact person, address, email address and telephone number for Shipper in areas of responsibility shown below, a 24-hour telephone number, three contact persons for Shipper for emergencies, email addresses and a facsimile machine number (if available):

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Original Sheet No.220 Original Sheet No.220 : Superseded

TRANSPORTATION REQUEST FORM
(continued)

General Notices and Correspondence:

Dispatching Notices:

Nominations/Confirmations

Curtailments/OFO/Capacity Allocation

Invoices: _____

Emergency Contact Persons and their Email Addresses:

1. _____
2. _____
3. _____

Emergency Telephone No: _____
Facsimile Machine No: _____

3. Whether Shipper is affiliated with Pipeline:

___ No ___ Yes

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.221 Original Sheet No.221 : Superseded

TRANSPORTATION REQUEST FORM
(continued)

4. Shipper is:

- a local distribution company (LDC) as defined by NGPA Section 2(17) (Code 1)
- an interstate pipeline as defined by NGPA Section 2(15) (Code 2)
- an intrastate pipeline as defined by NGPA Section 2(16) (Code 3)
- an end-user (Code 4)
- a producer (Code 5)
- a market/broker (Code 6)
- pipeline sales operating unit (Code 7)
- other (fill in) (Code 8): _____

5. Date service is requested to commence: _____

Date service is requested to terminate: _____

To be a considered a valid request, IT service must be requested to begin within 90 days of the date of the request and FT service must be requested to begin within 60 days of the date of the request, exempt if the request involves the construction of facilities or the issuance of any necessary certificate authorization to Pipeline.

6. The maximum daily quantity to be transported:

Maximum Daily Transportation Quantity (MDTQ): _____ Dt per Gas Day for FT service

7. On Attachment A to the Transportation Request Form, provide the following information related to each Receipt Point into Pipeline's system from which FT service is requested (interruptible service shall include all available Receipt Points on Pipeline's system).

Effective Date: 11/01/2003 Status: Effective

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Original Sheet No.222 Original Sheet No.222 : Superseded

TRANSPORTATION REQUEST FORM
(continued)

____ Pipeline's Receipt Point Code (if known)

____ Name of Receipt Point

____ Full description of Receipt Point (only if Pipeline's Receipt Point Code is not known)

____ Maximum Daily Receipt Quantity (Dt) for each Receipt Point (if requested for FT service, the sum of the Maximum Daily Receipt Quantities, and exclusive of FRQ, must equal the Transportation Demand request in 6 above)

____ Pipeline immediately upstream of Receipt Point (if applicable) (not required to be submitted until transportation agreement is executed)

8. On Attachment B to the Transportation Request Form, provide the following information related to each Delivery Point on Pipeline's system for which FT or IT service is requested.

____ Pipeline's Delivery Point Code (if known)

____ Name of Delivery Point

____ Full description of Delivery Point (only if Pipeline's Delivery Point Code is not know)

____ Maximum Daily Delivery Quantity (Dt) for each Delivery Point

____ Pipeline immediately downstream of Delivery Point (if applicable) (not required to be submitted until transportation agreement is executed)

(If request is for FT service, the sum of Maximum Daily Delivery Quantities must equal the Transportation Demand request in 6 above).

Effective Date: 11/01/2003 Status: Effective
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Original Sheet No.223 Original Sheet No.223 : Superseded

TRANSPORTATION REQUEST FORM
(continued)

9. The state(s) of ultimate delivery of the gas to be transported hereunder: _____

Shipper shall submit the applicable information in accordance with GT&Cs Section 2.5. Shipper understands that before this request is logged in by Pipeline, Pipeline must receive this request form, complete and unrevised as to format. Shipper hereby agrees to pay Pipeline's currently effective transportation rate applicable to this service. Shipper, by its signature, represents to Pipeline that the information above is correct and accurate.

Shipper, by its signature below certifies: (i) that it has entered into or will enter into those arrangements necessary to assure all upstream and downstream transportation will be in place prior to the commencement of service under the Service Agreement requested herein; (ii) that upon the commencement of transportation hereunder, but not as a condition precedent thereto, Shipper will provide the names of all upstream and downstream Pipelines involved in the transportation of gas hereunder; and (iii) the Shipper has title or a current contractual right to acquire title to the gas to be delivered to Pipeline.

Very truly yours,

By _____

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.224 Original Sheet No.224 : Superseded

Attachment A
Transportation Request Form
Receipt Point Information

Shipper: _____

Maximum Daily Receipt Quantity (Dt) Point Operator & Code Pipeline	Point Name 24-Hour Phone	Facilities Point Description	exclusive	Upstream of FRQ
---	-----------------------------	---------------------------------	-----------	--------------------

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.225 Original Sheet No.225 : Superseded

Attachment B
Transportation Request Form
Delivery Point Information

Shipper: _____

Daily Point Downstream Code	Receiving Party Point Name & 24-Hour Phone	Point Description	Maximum Delivery Quantity (Dt)	Pipeline
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.226 Original Sheet No.226 : Superseded

FORM OF SERVICE AGREEMENT
FOR POOLING

This Pooling Service Agreement, made and entered into as of this ____ day of _____, 20__, between SCG Pipeline, Inc. (herein called "Pipeline") and _____, a _____ corporation (herein called "Pooler,").

WITNESSETH

WHEREAS, Pipeline is an interstate pipeline as defined in Section 2(15) of the Natural Gas Policy Act of 1978 ("NGPA"), providing service pursuant to its tariff filed with the Federal Energy Regulatory Commission ("FERC" or "Commission") and Part 284 of the Commission's Regulations; and

WHEREAS, Pooler has submitted a valid request under Pipeline's FERC Gas Tariff to create a pool of gas supplies originating from various Receipt Points on Pipeline's system (Pool) under one or more Service Agreements under Rate Schedule FT, Rate Schedule IT, and a Temporary Capacity Release Agreement (Service Agreements) pursuant to GT&Cs Section 11; and

WHEREAS, Pipeline is agreeable to such an arrangement in accordance with the terms and conditions of this Agreement, the subject Service Agreements, Pipeline's Tariff and any applicable Commission Regulations.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

1.1 Pipeline agrees to provide a pooling service on behalf of Pooler.

1.2 Services provided hereunder are subject to and governed by the GT&Cs of Pipeline's effective Tariff on file at the Commission as may be revised from time to time. The Tariff is incorporated herein by reference. In the event of any conflict between this Agreement and the Tariff, the Tariff shall govern as to the conflict.

1.3 Pipeline makes no representation, assurance or warranty that capacity will be available on Pipeline's system at any time. Pipeline shall have the right to interrupt service under this Agreement consistent with the terms of the Tariff.

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Original Sheet No.227 Original Sheet No.227 : Superseded

FORM OF SERVICE AGREEMENT
FOR POOLING
(continued)

1.4 Subject to the terms and provisions of this Agreement, the parties agree that to the extent Pipeline is able to confirm and schedule the nominations made by Pooler hereunder, the quantities of gas nominated by a Pooler for delivery to the Pool from various Service Agreements shall be deemed to have been received by the Pooler into the Pool.

1.5 Pooler recognizes and agrees that it is Pooler's responsibility to ensure that quantities delivered into a pool during a Gas Day equal quantities delivered out of a pool. Pipeline reserves the right to cancel this Agreement to the extent Pooler repeatedly fails to balance its receipts and deliveries on a daily basis. Pipeline shall have the right to balance any discrepancy between the total daily sum of the Aggregation Nominations and the total daily sum of the Disaggregation Nominations for any Gas Day, and to apply an overrun charge.

1.6 Any Imbalances accrued under this Pooling Service Agreement shall be resolved pursuant to the provisions of Section 12.

1.7 This Pooling Service Agreement shall be subject to all operating conditions on Pipeline's system as such conditions may vary from time to time.

1.8 The transportation charges and fuel charges under the applicable FT or IT Agreements will be used to transport gas under related Pooling Service Agreement from the pool. Pipeline reserves the right to file to implement charges to recover any and all costs of providing the pooling service described hereunder.

1.9 Pipeline shall offer Title Tracking Transfer service under this Agreement.

ARTICLE II
TERM OF THE AGREEMENT

2.1 Subject to the provisions hereof, this Pooling Service Agreement shall become effective as of the date first written above, and shall remain in full force and effect for a primary term of one Month and shall continue and remain in force and effect for successive terms of one Month each thereafter unless and until canceled by either party giving written notice at least ten (10) days prior to the end of the primary term or any monthly extension thereof. The provisions for

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Original Sheet No.228 Original Sheet No.228 : Superseded

FORM OF SERVICE AGREEMENT
FOR POOLING
(continued)

correcting imbalances or paying charges which accrue prior to the termination date of this Pooling Service Agreement shall survive the termination of this Pooling Service Agreement.

2.2 Upon termination of this Pooling Service Agreement, Pipeline and Pooler shall be relieved of further obligation to the other party except to complete the activities underway on the date of termination, to comply with the provisions of Section 12 of the GT&Cs with respect to any imbalance accrued prior to the termination of this Pooling Service Agreement, to render reports and to make any payments accruing as of the date of termination.

ARTICLE III
GENERAL TERMS & CONDITIONS

3.1 This Pooling Service Agreement is subject to all present and future valid laws and orders, rules, and regulations of any regulatory body having or asserting jurisdiction herein.

3.2 Pooler agrees that Pipeline shall, in its sole discretion without any further agreement by Pooler, have the unilateral right to file with the appropriate regulatory authority to change from time to time all or any part of this Pooling Service Agreement, as well as all or any party of Pipeline's Rate Schedules, Service Agreements or the GT&Cs applicable hereto, including the right to design and implement charges or alter charges to recover any and all costs associated with providing service under this Agreement. Nothing contained herein shall prejudice the rights of Pooler to protest or contest any changes.

3.3 The parties hereto agree that neither party shall be liable to the other party for any special, punitive, indirect, or consequential damages (including, without limitation, loss of profits or business interruptions) arising out of or in any manner related to this Agreement.

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Original Sheet No.229 Original Sheet No.229 : Superseded

FORM OF SERVICE AGREEMENT
FOR POOLING
(continued)

3.4 Pooler warrants and represents that by execution of this Pooling Service Agreement hereunder, Pooler has the authority to nominate deliveries of the gas supplies designated by Pooler into and out of the Pool. Pooler agrees to indemnify, release and hold Pipeline harmless for any claims, costs, damages, expenses (including attorneys' fees and court costs), demands or causes of action caused by Pipeline's allocation of gas to the Pool under this Pooling Service Agreement for which Pooler did not have the authority or title to nominate.

3.5 It is recognized and understood by the parties that the Pool created hereunder is not a physical point on Pipeline's system. Nothing contained herein shall obligate Pipeline to construct or install facilities to implement service hereunder.

ARTICLE IV
NOMINATIONS AND SCHEDULING

4.1 Pooler shall nominate gas for delivery into its Pool and delivery out of its Pool pursuant to the procedures of Section 5 of the GT&Cs of Pipelines Tariff. Pooler's nominations shall be used to confirm nominations for deliveries to the Pool under Service Agreements.

4.2 Pooler shall provide to Pipeline on its nomination form the names of Shippers nominating gas for delivery into the Pool, the contract numbers under which the gas is being transported into the Pool, the quantities of gas nominated by each Shipper, a Receipt Point ranking for such quantities as described below in Section 4.3, and any such other information as Pipeline may deem necessary to render this pooling service hereunder.

4.3 Pooler shall provide a predetermined ranking of all of the Receipt Points and associated volumes served by the Pool to be used by Pipeline to limit the deliveries by such Pool in the event of an interruption or reduction in Pooler's supplies or a capacity constraint at any of Pipeline's Receipt Points.

4.4 In the event there is a capacity constraint at a Receipt Point, Pooler's nominations at such constrained Receipt Point shall be scheduled consistent with other scheduled service according to the priority of service for the underlying Service Agreements at said Point. Any nomination by a Pooler at an assigned Primary Receipt Point shall be scheduled on a firm basis pro rata with other such Primary Receipt Point nominations under an FT Agreement.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.230 Original Sheet No.230 : Superseded

FORM OF SERVICE AGREEMENT
FOR POOLING
(continued)

4.5 Pooler shall exercise due diligence in monitoring the supplies serving its Pool hereunder and shall use its best efforts to notify Pipeline promptly of any known variations in its supplies.

ARTICLE V
CREDITWORTHINESS

5.1 Pooler shall satisfy the creditworthiness requirements of GT&Cs Section 2.5 before service under this Agreement shall commence.

ARTICLE VI
NOTICES

6.1 Except as provided in Section 6.1 herein, notices hereunder shall be given pursuant to the provisions of Sections 29 and 36 of the GT&Cs on the Pipeline's Internet Web Site; provided however, that in the event the Pipeline's Internet Web Site is not operational, notice in the form herein described shall be given to a party via facsimile or electronic mail.

Pipeline: Notices and General Correspondence

SCG Pipeline, Inc.
P.O. Box 102407
Columbia, South Carolina 29224-2407
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept.: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name: _____
Email: _____
Telephone No.: _____
Facsimile Machine No.: _____

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FORM OF SERVICE AGREEMENT
FOR POOLING
(continued)

Alternative Contact:

Alternative Contact:

PAYMENTS

SCG Pipeline, Inc.
P.O. Box 102407
Columbia, South Carolina 29224-2407

Pooler: Notices and Request

Email: _____

Telephone No.: _____

Facsimile Machine No.: _____

Dispatching Notices-Nominations/Confirmations

Name/Dept: _____

Email: _____

Telephone No.: _____

Facsimile Machine No.: _____

Emergencies and 24-Hour Dispatching Contact

Name: _____

Email: _____

Telephone No.: _____

Facsimile Machine No.: _____

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.232 Original Sheet No.232 : Superseded

FORM OF SERVICE AGREEMENT
FOR POOLING
(continued)

ARTICLE VII
MISCELLANEOUS

7.1 No waiver by Pipeline or Pooler of any default of either party under this Pooling Service Agreement shall operate as a waiver of any subsequent default whether of a like or different character.

7.2 The laws of the State of South Carolina (excluding choice of law provisions) shall govern the validity, construction, interpretation and effect of this Pooling Service Agreement.

7.3 No modification of or supplement to the terms and provisions hereof shall become effective except by execution of a supplementary written agreement between the parties.

7.4 This Pooling Service Agreement shall bind and benefit the successors and assigns of the respective parties hereto. Neither party may assign this Pooling Service Agreement without prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may assign or pledge this Pooling Service Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument.

7.5 This Pooling Service Agreement supersedes and cancels the Pooling Service Agreement # _____ dated _____ between the parties hereto.

Effective Date: 11/01/2003 Status: Effective

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Original Sheet No.233 Original Sheet No.233 : Superseded

FORM OF SERVICE AGREEMENT
FOR POOLING
(continued)

ARTICLE VII
MISCELLANEOUS

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above by each party's respective duly authorized officers.

SCG Pipeline, Inc.
as "Pipeline"

By _____
Its _____

as "Pooler"

By _____
Its _____

By _____
Its _____

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.234 Original Sheet No.234 : Superseded

AGENCY AUTHORIZATION AGREEMENT

This Agreement is made, entered into and effective as of this ___ day of ___,
_____, by and between SCG Pipeline, Inc., a South Carolina corporation
hereinafter referred to as "Pipeline" and _____ a
_____ corporation hereinafter referred to as "Shipper". Pipeline and
Shipper shall be referred to herein collectively as "Parties".

WITNESSETH:

WHEREAS Shipper and Pipeline have entered into certain agreements for the
transportation of natural gas ("Underlying Agreement(s)"), as more fully set
forth on Exhibit A of this Agreement; and

WHEREAS, Shipper has expressed its desire to assign its nominating, scheduling
and other administrative responsibilities pursuant to one or more of the
Underlying Agreements to one or more Shipper's Agent(s);

NOW, THEREFORE the Parties agree as follows:

ARTICLE I - DEFINITIONS

1.1 The definitions found in Section 1 of Pipeline's GT&Cs are incorporated
herein by reference.

ARTICLE II - SCOPE

2.1 Shipper agrees that for the term of this Agreement the Shipper's
Agent(s) shall have sole and exclusive responsibility for:

- _____ nominating and scheduling on behalf of Shipper;
- _____ managing Shipper's imbalances;
- _____ managing Shipper's invoices and payment requirements; and/or
- _____ administering Title Transfer Tracking service on behalf of

Shipper,

pursuant to the Agreement(s) listed on the attached Exhibits, quantities
of gas up to the delegated quantities shown on the attached Exhibits; provided
that,

2.2 Shipper shall have the right to overrule its Agent's actions if Shipper
timely notifies Pipeline of the revised nomination and Shipper specifically
indicates to Pipeline that this Agency Authorization Agreement is temporarily
suspended and the period of time that such suspension shall last.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.235 Original Sheet No.235 : Superseded

AGENCY AUTHORIZATION AGREEMENT
(continued)

ARTICLE III - AGENCY

3.1 This Agency Authorization Agreement must be accompanied by an Exhibit A hereto. If Shipper desires to delegate rights under an Underlying Agreement to more than one Shipper's Agent, then a separate Exhibit A must be submitted for each Shipper's Agent.

ARTICLE IV - DELIVERY AND RECEIPT POINTS

4.1 In making Primary Receipt Point and Primary Delivery Point nominations under firm contracts on behalf of Shipper, Shipper's Agent is limited to the use of the Primary Receipt and Delivery Points listed on Exhibit A hereto. Pipeline shall not accept nominations from Shipper's Agent under Shipper's Underlying Agreement(s) in excess of the delegated quantities set forth on Exhibit A hereto.

4.2 Nothing herein shall limit Shipper's Agent's use of other Receipt and Delivery Points as secondary points and any such request shall be accorded priority in accordance with GT&Cs Section 6 of the of this Tariff. Shipper's Agent shall have a Shipper's rights to schedule transportation for the capacity defined by the points listed on Exhibit A hereto.

ARTICLE V - TERM

5.1 This Agreement shall become effective on _____, and shall remain in full force and effect until ____, unless terminated at an earlier date by either Party or twenty-four hours written notice to the other Party; provided that to the extent that Pipeline has relied on an the Agent's instructions with respect to a nomination period, the Agreement shall terminate at the conclusion of such period.

ARTICLE VI - INDEMNITY

6.1 Pipeline will rely on communications and actions of Shipper's Agent for all purposes within the scope of authority conveyed by the Agency Authorization Agreement with respect to the delegated quantities. Shipper agrees to indemnify and hold Pipeline harmless against any and all claims arising from Pipeline's actions in reliance on communications with Shipper's Agent.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.236 Original Sheet No.236 : Superseded

AGENCY AUTHORIZATION AGREEMENT
(continued)

ARTICLE VII - REGULATION

7.1 This Agreement shall be subject to all applicable governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulations, approvals or authorizations upon terms acceptable to Pipeline. This Agreement shall be void and of no force and effect if necessary regulatory approval or authorization is not so obtained or continued. All Parties shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to the other Party for failure to obtain or continue such approval or authorizations.

7.2 Further, if any governmental body having jurisdiction over the service(s) provided pursuant to the Underlying Agreement(s), authorizes abandonment of service pursuant to the Underlying Agreement(s) on a date other than the Termination Date set forth in the Underlying Agreement(s), then the Termination Date of this Agreement shall be the abandonment date so authorized.

ARTICLE VIII - MISCELLANEOUS

8.1 Unless otherwise expressly provided in this Agreement or Pipeline's Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective, until Shipper has submitted a request for change through the Pipeline's Internet Web Site and Shipper has been notified through Pipeline's Internet Web Site of Pipeline's agreement to such change.

8.2 No waiver by any Party of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

8.3 The Parties hereto agree that the interpretation and performance of this Agreement must be in accordance with the laws of the State of South Carolina without recourse to the law governing conflict of laws. This Agreement and the obligations of the Parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules and regulations of duly constituted authorities having jurisdiction.

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.237 Original Sheet No.237 : Superseded

AGENCY AUTHORIZATION AGREEMENT
(continued)

8.4 Notwithstanding anything herein to the contrary, this Agreement shall not take effect until Shipper has provided Pipeline with a completed Exhibit A. Exhibit A shall be incorporated herein by reference and made part of this Agreement for all purposes upon its receipt by Pipeline.

8.5 In the event of a conflict between the provisions of this Agreement and Pipeline's GT&Cs, the provisions of Pipeline's GT&Cs shall govern.

ARTICLE IX - TERMS OF AGENCY

9.1 Shipper and Shipper's Agent agree that, for the term of this Agreement, Shipper's Agent shall have sole and exclusive responsibility for:

_____	nominating and scheduling on behalf of Shipper;
_____	managing Shipper's imbalances;
_____	managing Shipper's invoices and payment requirements;
and/or	_____
_____	administering Title Transfer Tracking service on
behalf of Shipper,	

pursuant to the Agreement(s) listed above, quantities of gas up to the delegated quantities shown on Exhibit A hereto except as provided in Article II of the Agency Authorization Agreement. Shipper's Agent shall comply with all provisions of the Underlying Agreement(s) and with all provisions of Pipeline's Tariff governing the transportation of gas.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.238 Original Sheet No.238 : Superseded

AGENCY AUTHORIZATION AGREEMENT
(continued)

9.2 Shipper's Agent agrees to indemnify and hold Pipeline harmless against any and all claims, (including costs of court and reasonable attorney's fees), losses, liabilities, injuries or damages of any kind, including but not limited to claims of damage to property or the environment, that are brought by Shipper or any third party against Pipeline and that arise from actions taken by any Party pursuant to this Exhibit A to the Agency Authorization Agreement, except insofar as such claim, loss liability, injury or damage is caused by Pipeline's failure to follow properly made nominations for reason other than those set forth in GT&Cs Section 5 of Pipeline's Tariff; provided, however, that such indemnification will be inapplicable in the event that Pipeline's action was in response to a communication from Shipper's Agent based on incorrect information supplied by Pipeline. For purposes hereof, nominations shall be considered "properly made" only when they are made in full compliance with Pipeline's Tariff and the Underlying Agreement(s). The foregoing notwithstanding, if Agent has relied on information provided by Pipeline and such information results in damages resulting from Pipeline's reliance on subsequent instructions from the Agent, Agent shall not be required to indemnify Pipeline for such damages.

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.239 Original Sheet No.239 : Superseded

AGENCY AUTHORIZATION AGREEMENT
(continued)

9.3 All notices pursuant to this Exhibit A pursuant to the Underlying Agreement(s), Rate Schedule(s) or Pipeline's GT&Cs, shall be made pursuant to the Pipeline's Internet Web Site established by Pipeline; provided however, that if the Pipeline's Internet Web Site is not properly functioning, the notice may be made via electronic mail or facsimile.

9.4 The Parties agree and stipulate that the services to be performed pursuant to this Agreement by each Party are uniquely tied to the Parties performing the services. Therefore, the rights and obligations pursuant to this Exhibit A may not be assigned.

TRANSPORTER: SCG PIPELINE, INC.

By: _____

TITLE: _____

SHIPPER: _____

By: _____

TITLE: _____

SHIPPER'S

AGENT: _____

By: _____

TITLE: _____

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.240 Original Sheet No.240 : Superseded

AGENCY AUTHORIZATION AGREEMENT
(continued)

EXHIBIT A
TO AGENCY AUTHORIZATION AGREEMENT
BETWEEN
SCG PIPELINE, INC. CORPORATION
AND

Agency Authorization Agreement (Service Package Amendment _____) Dated

I. SHIPPER INFORMATION

Name: _____

Address: _____

Attn: _____

Phone: _____

Facsimile: _____

II. SHIPPER'S AGENT INFORMATION

Name: _____

Address: _____

Attn: _____

Phone: _____

Facsimile: _____

Nomination Service Package No. _____
Amendment No. _____

(Assigned by Pipeline for Shipper's Agent's use in nominating, confirming, and scheduling)

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.241 Original Sheet No.241 : Superseded

AGENCY AUTHORIZATION AGREEMENT
(continued)

III. AGENCY AUTHORIZATION INFORMATION

FT Agreement

Primary Receipt Points	Delegated Quantities
------------------------	----------------------

_____	_____
_____	_____
_____	_____

Primary Delivery Points	Delegated Quantities:
-------------------------	-----------------------

_____	_____
_____	_____
_____	_____

Other A

Receipt Points	Delegated Quantities:
----------------	-----------------------

_____	_____
_____	_____
_____	_____

Delivery Points	Delegated Quantities:
-----------------	-----------------------

_____	_____
_____	_____
_____	_____

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.242 Original Sheet No.242 : Superseded

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT

This Umbrella Service Agreement, made and entered into this ____ day of _____, 20__ by and between _____ (herein called "Replacement Shipper"), and SCG Pipeline, Inc. (herein called "Pipeline"), Pipeline and Shipper shall be collectively referred to herein as "Parties".

For and in consideration of the mutual covenants and promises herein contained, the Replacement Shipper and Pipeline hereby agree as follows:

ARTICLE I
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof, so long as the financial evaluation and credit appraisal requirements are met in order for Replacement Shipper to be on Pipeline's approved bidder list for capacity releases and execute this Umbrella Service Agreement pursuant to Section 11 of Pipeline's GT&Cs, and this Umbrella Service Agreement is effective, Replacement Shipper may bid from time to time on proposed capacity releases under Rate Schedule FT, pursuant to the procedure set forth in the GT&CS Section 11. If at anytime a bid submitted by Replacement Shipper is accepted by Pipeline with respect to a given capacity release, Pipeline will promptly finalize by means of Pipeline's system the appropriate Addendum to this Umbrella Service Agreement, in the format attached hereto, depending upon the rate schedule under which the capacity is being released.

1.2 An Addendum shall be deemed to be an executed Service Agreement under the rate schedule designated therein, subject to the terms and conditions of the rate schedule, the form of Service Agreement applicable to such rate schedule, and the GT&Cs of Pipeline's Tariff. The Parties agree that each Addendum is an integral part of this Umbrella Service Agreement as if executed by the Parties hereto and fully copied and set forth herein at length and is binding on the parties hereto. Upon finalization of such Addendum, Replacement Shipper and Pipeline agree that Replacement Shipper shall be considered for all purposes as a Shipper with respect to the released service.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.243 Original Sheet No.243 : Superseded

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT
(continued)

1.3 Upon the finalization of an Addendum, subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FT, Pipeline agrees to provide the FT released service for Replacement Shipper under the FT rate schedule, provided however, the Replacement Shipper qualified under the financial evaluation and credit appraisal requirements set forth in GT&Cs Section 2 at the time it submitted the bid Pipeline accepted with respect to such release.

1.4 Replacement Shipper hereby agrees to promptly provide any information necessary for Pipeline to reevaluate Pipeline's credit appraisal as contemplated by GT&Cs Section 2 and to advise Pipeline of any material change in the information previously provided by the Replacement Shipper to Pipeline.

ARTICLE II
TERM OF AGREEMENT

2.1 The term of this Agreement shall commence on _____ and shall continue in force and effect until _____ and _____ to _____ thereafter unless this Umbrella Service Agreement is terminated as hereinafter provided. If Pipeline determines at anytime that Replacement Shipper fails to meet the financial standards or credit criteria of GT&Cs Section 2, Pipeline may terminate this Agreement and all Addenda attached hereto prospectively in accordance with the GT&Cs.

ARTICLE III
RATE SCHEDULE AND GENERAL TERMS AND CONDITIOINS

3.1 This Umbrella Service Agreement does not have separate terms and conditions for particular services, but only provides a means for a Replacement Shipper to utilize a service subject to the applicable provisions of the relevant Service Agreement and the terms and conditions for Rate Schedule FT, by finalization of a copy of an Addendum _____, _____ and/or _____ attached hereto and fully incorporated herein as a part of this Umbrella Service Agreement.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.244 Original Sheet No.244 : Superseded

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT
(continued)

3.2 If Replacement Shipper utilizes an agent, it will so indicate on the appropriate Addendum, along with any terms and conditions relevant to such agency relationship. Pipeline will act in accordance with the Addendum and in so acting will be fully protected in relying upon such agent.

3.3 Replacement Shipper agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in: (a) the rates and charges applicable to service pursuant to this Umbrella Service Agreement; (b) the terms and conditions of this Umbrella Service Agreement, pursuant to which service hereunder is rendered, or (c) any provision of the GT&Cs applicable to this Umbrella Service Agreement. Pipeline agrees that the Replacement Shipper may protest or contest the aforementioned filings.

ARTICLE IV
ADDRESSES

4.1 Except as herein otherwise provided or as provided in the GT&Cs of Pipeline's Tariff, any notice, request, demand, statement, invoice or payment provided for in this Umbrella Service Agreement, or any notice which any party may desire to give to the other, shall be made on the Pipeline's Internet Web Site established by Pipeline; provided however, that in the event the Pipeline's Internet Web Site is not properly functioning such communication may be in accordance with GT&Cs Section 29.

ARTICLE V
INTERPRETATION

5.1 The interpretation and performance of this Umbrella Service Agreement shall be in accordance with the laws of the State of South Carolina without recourse to the law governing conflict of laws.

5.2 This Umbrella Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

Effective Date: 11/01/2003 Status: Effective

FERC Docket: RP03-611-000

Original Sheet No.245 Original Sheet No.245 : Superseded

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT
(continued)

ARTICLE VI
RELATIONSHIP BETWEEN REPLACEMENT SHIPPER
AND RELEASING SHIPPER

6.1 The parties recognize that, pursuant to Commission orders, Releasing Shipper may require that the Replacement Shipper agree that a breach of this Agreement, including a failure to pay, or to pay timely, by Replacement Shipper under this Agreement, constitutes a breach of contract as between Replacement Shipper and Releasing Shipper. The existence of such an agreement will be indicated on the appropriate Addendum to this Capacity Release Umbrella Agreement. If Replacement Shipper fails to pay Pipeline, fails to timely pay Pipeline, or otherwise breaches this Agreement with Pipeline: (a) both Replacement Shipper and Releasing Shipper (except to the extent otherwise provided in GT&Cs Section 11 and except with respect to penalties attributable to Replacement Shipper's conduct) shall be liable to Pipeline for such failure to pay or breach (it being understood that nothing in this Article VI relieves Releasing Shipper from responsibility to pay Pipeline in accordance with its Service Agreements with Pipeline) and (b) if, as a result of such breach by Replacement Shipper, Releasing Shipper is accordingly required to pay Pipeline or otherwise perform, Releasing Shipper may have a cause of action for breach against Replacement Shipper.

IN WITNESS WHEREOF, the Parties hereto have caused this Umbrella Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

SCG Pipeline, Inc.

By _____

WITNESS:

By _____

WITNESS:

Effective Date: 11/01/2003 Status: Effective
FERC Docket: RP03-611-000

Original Sheet No.246 Original Sheet No.246 : Superseded

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT
(continued)

Deal No.: _____
SCG Pipeline, Inc. Addendum Contract No.: _____
Capacity Release Umbrella Agreement No.: _____

Addendum No. _____
Capacity Release Rate Schedule _____

Replacement Shipper: _____
Releasing Shipper: _____

Releasing Shipper's Contract No.: _____

Begin Date of Release: _____

End Date of Release: _____

Rates: [Volumetric or Reservation]

Surcharges:

Description	Rate
_____	\$ _____
_____	\$ _____
_____	\$ _____

FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT
(continued)

Deal No.: _____
SCG Pipeline, Inc. Addendum Contract No.: _____
Capacity Release Umbrella Agreement No.: _____

Addendum No. _____
Capacity Release Rate Schedule _____

Replacement Shipper: _____
Releasing Shipper: _____

Releasing Shipper's Contract No.: _____

Begin Date of Release: _____

End Date of Release: _____

Rates: [Volumetric or Reservation]

Surcharges:

Description	Rate
_____	\$ _____
_____	\$ _____
_____	\$ _____

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FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT
(continued)

Volume Commitment _____ (Dt/Monthly Billing Period)

Maximum Daily Transportation Quantity (MDTQ): _____ (Dt)

Billable Quantities:

Service:

From	To	Quantity
_____	_____	_____
_____	_____	_____
_____	_____	_____

Specific Firm Receipt Points:

Receipt Point	MDRQ	Effective From	Effective To
---------------	------	----------------	--------------

Specific Firm Delivery Points:

Delivery Point	MDDQ	Effective From	Effective To
----------------	------	----------------	--------------

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FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT
(continued)

Is this capacity subject to right of recall? Yes ___ No ___

Recall Conditions (if applicable):

Is this capacity subject to reput rights? Yes ___ No. ___

Reput Conditions (if applicable)

Are there any restrictions on released capacity? Yes ___ No ___

Restrictions (if applicable):

Was SCG Pipeline, Inc. default bid evaluation
criteria used? Yes ___ No ___

Evaluation Criteria (if applicable):

Were contingent bids accepted? Yes ___ No ___

Contingency comments (if applicable):

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FORM OF SERVICE AGREEMENT FOR
CAPACITY RELEASE UMBRELLA AGREEMENT UNDER
RATE SCHEDULES FT
(continued)

Other Terms and Conditions of Release: [e.g., restrictions on release, third party agent and terms of third party agency relationship, and agreements between Replacement Shipper and Releasing Shipper]

This Addendum, entered into, pursuant to Pipeline's capacity release program and to the executed Capacity Release Umbrella Agreement between Pipeline and the Replacement Shipper, is heretofore made a part of and subject to the aforementioned Capacity Release Umbrella Agreement.

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Original Sheet No.250 Original Sheet No.250 : Superseded

REQUEST FORM FOR
CAPACITY RELEASE AGREEMENT

SCG Pipeline, Inc.
P.O. Box 102407
Columbia, SC 29224-2407

Attention: Transportation Service Department

To Whom It May Concern:

_____ (Bidder) wishes to bid on capacity offered by SCG Pipelines, Inc. ("Pipeline") for release on temporary basis pursuant to GT&Cs Section 10 of Pipeline's Tariff. Bidder recognizes that a condition for bidding on such released capacity is its entering into a Capacity Release Service Agreement applicable to the firm transportation on which it wishes to bid. In this regard Bidder is providing Pipeline with the following information:

1. Type of Capacity Release Service Agreement requested:
_____ FT

2. Full legal name of Bidder, type of legal entity and, if corporation, state of incorporation:

3. Contact person, address, email and telephone number for Bidder in areas of responsibility shown below, a 24-hour telephone number, three contact persons for Bidder for emergencies, email addresses and a facsimile machine number (if available):

General Notices and Correspondence:

Dispatching Notices:

Nominations/Confirmations

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REQUEST FORM FOR
CAPACITY RELEASE AGREEMENT
(continued)

Curtailment/OFO/Capacity Allocation

Invoices:

Emergency Contact Person:

(1) _____

(2) _____

Emergency Email: _____

Emergency Telephone No: _____

Facsimile Machine No: _____

4. Bidder is:

- _____ a local distribution company as defined by NGPA
Section 2(17)
- _____ an intrastate pipeline as defined by NGPA
Section 2(16)
- _____ an interstate pipeline as defined by NGPA
Section 2(15)
- _____ an end-user
- _____ a marketer
- _____ other (fill in) _____

5. Submit Bidder's most recent audited financial statements, annual report, Form 10-K, three credit references, and a list of affiliates in compliance with GT&Cs Section 2.5, in order for Pipeline to evaluate Bidder's creditworthiness.

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REQUEST FORM FOR
CAPACITY RELEASE AGREEMENT
(continued)

Bidder understands that before this request can be processed, Pipeline must receive this request form complete and unrevised as to format. Bidder, by its submission of this request form through the Pipeline's Internet Web Site established by Pipeline, represents to Pipeline that the information above is correct and accurate.

Very truly yours,

By: _____

Title: _____

Effective Date: 11/01/2003 Status: Effective
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Original Sheet No.253 Original Sheet No.253 : Superseded

BID FORM

SCG Pipeline, Inc.
P.O. Box 102407
Columbia, SC 29224-2407

Attention: Transportation Services

Re: Bid on Released Rights to Firm Transformation

_____ ("Bidder") hereby submits this Bid for released firm service rights specified in the Release Report identification below. The terms of this Bid are as follows:

1. Complete legal name of Bidder, type of legal entity and state of incorporation;
2. Contract Number of Releasing Shipper and Release Request number to which bid relates;
3. The Maximum Daily Transportation Quantity for the Bid;
4. The rate(s) which Bidder is willing to pay for released capacity;
5. Term for which Bidder wishes to obtain the firm service;
6. The Bid is/is not contingent (if contingent, the basis for the contingency);

Bidder, by the signature of its authorized representative, represents and certifies to SCG Pipeline, Inc.: (1) the individual signing below is authorized to sign this Bid for Bidder, and (2) the information above is true, complete and correct.

Submitted this __ day of _____, 20__.

Bidder

By _____

Title _____

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RESERVED FOR FUTURE USE

Effective Date: 11/01/2003 Status: Effective

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SHIPPER INDEX

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FERC Docket: RP03-611-000

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For each Shipper receiving firm transportation service, the Index must include the following information:

- (i) The full legal name, and identification number, of the Shipper;
- (ii) The applicable rate schedule number under which the service is being provided;
- (iii) The contract number;
- (iv) The effective and expiration dates of the contract;
- (v) For transportation service, the maximum daily contract quantity (specify unit of measurement), and for storage service, the maximum storage quantity (specify unit of measurement);
- (vi) The Receipt Points and Delivery Points covered by the contract in which the capacity is held, including the industry common code for each point;
- (vii) An indication as to whether the contract includes negotiated rates;
- (viii) The name of any agent or asset manager managing a Shipper's transportation service; and
- (ix) Any affiliate relationship between the Pipeline and a Shipper or between the Pipeline and a Shipper's asset manager or agent.

Pipeline shall maintain the above referenced Shipper information on a current basis on its Internet Web Site.

Signed for Identification
Pipeline: _____
Shipper: _____
Supersedes Exhibit C Dated: _____

Signed for Identification

